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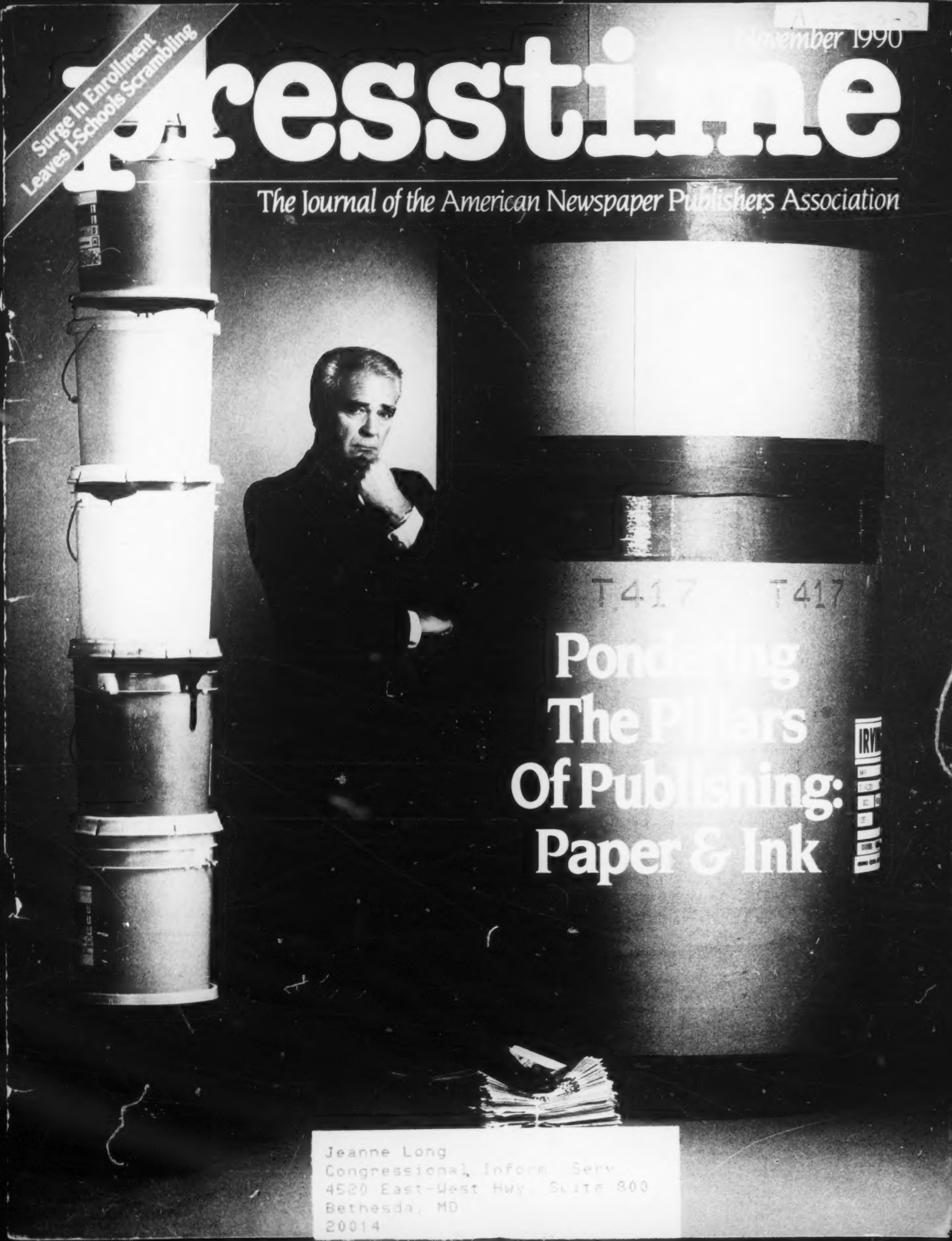
presstime

The Journal of the American Newspaper Publishers Association

Surge In Enrollment Leaves J-Schools Scrambling



Pondering The Pillars Of Publishing: Paper & Ink

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presstime

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Special Report *Times are changing for those indispensable commodities, newsprint and ink. Prices for both are climbing. Competitive pressures add urgency to the quest for quality. Environmental concerns reshape the paper and ink markets, too, as newspapers look for reliable supplies of recycled newsprint and alternatives to petroleum-based inks. Reconciling all these concerns is of no small consequence, as newsprint represents up to 40 percent of newspaper budgets and ink up to 5 percent.* Presstime*'s first annual package on paper and ink brings it all together.* **20**

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CHAIRMAN'S CORNER

Press in Europe's new democracies needs assistance of all kinds

Your board recently returned from a trip to Berlin, Prague and Budapest. While there, we met with newspaper publishers and correspondents, with politicians and with U.S. and foreign diplomats.

The purpose of our trip was:

- To learn firsthand about the emerging free press in Eastern and Central Europe
- To reinforce ANPA's support for those who are reporting on the emergence of freedom in that part of the world
- To reinforce our support for those who are starting up new, independent newspapers or bringing freedom to existing ones
- To kick off the Newspaper Management Seminar in Budapest for the newly created Hungarian Newspaper Publishers Association. The seminar was sponsored by ANPA and the International Federation of Newspaper Publishers.

The emergence of freedom in Eastern and Central Europe has created an enormous burst of activity. And, there's great enthusiasm among those who recognize how essential the role of a free press will be to the preservation of that freedom and the shift to a free-market economy.

But there will be a great amount of disruption, unemployment and uncertainty as those gutted economies make the transition. Reality has already begun to set in as leaders in those countries recognize that many of these changes will take years to effect.

I believe they are going to make it happen because the necessary effort will be buoyed by an enormous reservoir of hope, and with hope people can cope.

How can we help? There are no grandiose programs or projects that will automatically get the job done. However, progress is often measured in small steps, the kind we can all take.

Here is just one example: During a break at the HNPA seminar, two young men from Bucharest came to me and said they had started a newspaper and needed typesetting equipment. I asked if they wanted hot-metal or cold-type equipment? Their answer was that they will take anything.

The World Press Freedom Committee is serving as a clearinghouse for those of us willing to donate equipment to our new colleagues in Eastern and Central Europe. Send information on the equipment you have available to the WPFC at P.O. Box 17407 Dulles Airport, Washington, D.C. 20041.

While the primary mission of our trip was to reinforce and encourage the emergence of a free press, the impact of our experiences on your board was profound. We drew new strength and rededication for our work with ANPA and our newspapers from those whose courage and sacrifice have ushered in this new age of freedom and human dignity.

I understand with greater clarity now why our Founding Fathers so wisely called for a free press in our Constitution.

Lloyd G Schermer

Lloyd G. Schermer
ANPA Chairman

Let me add a postscript noting the great sorrow of the whole ANPA family at the death of Tom Fichter. Tom was the logistics chief of the Board's European trip just as he has been for so many of our Conventions. Several ANPA directors were able to attend the funeral, and to express to the family everyone's sympathy and everyone's thanks for Tom's 29 years of service to our Association and our free press. L.G.S.

'Wash,' 'Flotation' Lead Laundry List Of Ways to Clean Old Papers

BY ROSALIND C. TRUITT
presstime technology writer

To say that the dynamics of papermaking are changing for North American newsprint mills is like saying newspapers are interested in newsprint. It takes understatement to new levels.

Long concerned with pulp made from freshly cut trees, newsprint manufacturers are now looking at ways to obtain another pulp material—old newspapers that once ended up in the trash. Such a switch in philosophy has required the mills to tackle a variety of new issues, and to do so quickly.

In adding equipment that enables them to recycle newsprint, mill executives say two issues are paramount—what type of de-inking technology best suits a given operation, and where old newspapers, and in some cases old magazines, will be collected for the papermaking furnish.

"When you produce recycled newsprint, essentially you are trying to turn a sow's ear into a silk purse," says Bob Moran of Bowater Inc. He is overseeing the addition of a de-inking facility at the Bowater/Advance Publications newsprint mill in Calhoun, Tenn. Scheduled to become operational in December 1991, the de-inking facility will have the capacity to produce 300 tons of recycled pulp daily. This pulp will be blended with virgin pulp.

"Just because we are producing recycled newsprint does not mean we will produce a second-class product," Moran says. "Manufacturers of recycled fibers want to produce the best possible quality, and that is why the selection of equipment is so important."

Equally important are the supply and the quality of waste paper, he says. The Tennessee mill is working with waste-paper dealers, municipalities and other sources to ensure a steady flow of well-sorted old newspapers.

Bowater's efforts are being duplicated by the majority of North American newsprint producers. According to the ANPA Newsprint Department, new recycling projects in 16 locations will add 3.7-million metric tons of recycled-newsprint capacity to the approximately 2-million tons of such capacity currently available from nine mills. It is expected those projects will be fully operational by the end of 1993.

In a recent survey of the 39 North American newsprint companies, nearly all of the 26 respondents said they will be making some recycled newsprint by 1995, and one-third of them expect to be manufacturing recycled newsprint exclusively.

Most of the newsprint producers are retooling existing mills to add de-inking capabilities, at an average cost of $60 million to $80 million, according to Newsprint Reporter, an industry newsletter.

That would be a staggering amount even in good times, but the times are far from good for newsprint manufacturers. Facing flat revenues, depressed sales and labor unrest, they are nonetheless being forced by the changing marketplace to make major capital expenditures, like it or not.

Some mills are going another way: purchasing recycled pulp that has already been processed by another company. The recycled pulp is then added to virgin pulp to produce a partially recycled sheet. Fletcher Challenge Canada Ltd. will use that method at its

21 Largest Newsprint Companies in North America

The following is a list of the 21 largest newsprint suppliers in North America, based on projected 1990 capacity. The information is from ANPA, the American Paper Institute, and the Canadian Pulp and Paper Association.

U.S. newsprint companies

Newsprint company and headquarters	Number of mills[1]	Capacity in metric tons
Bowater Inc., Darien, Conn.	2	934,000
Champion International Corp., Stamford, Conn.	2	784,000
Smurfit Newsprint Corp., St. Louis	3	699,000
Boise Cascade Corp., Boise, Idaho	2	539,000
North Pacific Paper Co., Tacoma, Wash.	1	476,000
Kimberly-Clark Corp., Dallas	1	381,000
Southeast Paper Co., Dublin, Ga.	1	378,000
Augusta Newsprint Co., Augusta, Ga.	1	349,000
Georgia Pacific Paper Co., Atlanta	1	318,000
Stone Container Corp., Chicago	1	275,000

Canadian newsprint companies

Newsprint company and headquarters	Number of mills[1]	Capacity in metric tons
Canadian Pacific Forest Products Ltd., Montreal	5	1,647,000
Abitibi-Price Inc., Toronto	10	1,514,000
Fletcher-Challenge Canada Ltd., Vancouver, British Columbia	2	947,000
Stone-Consolidated Inc., Montreal	4	816,000
Quebec and Ontario Paper Co., St. Catherines, Ontario	2	764,000
Kruger Inc., Montreal	3	754,000
MacMillan Bloedel Ltd., Vancouver, British Columbia	2	574,000
Donohue Inc., Quebec	2	488,000
Daishowa Forest Products Ltd., Toronto	1	430,000
Rothesay Paper Ltd., St. John, New Brunswick	1	322,000
Spruce Falls Power and Paper Co., Kapuskasing, Ontario	1	322,000

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[1] Some companies jointly own additional mills.

newsprint mills in Campbell River and Crofton, British Columbia. MacMillan Bloedel Ltd. will do the same thing at its British Columbia mills in Port Alberni and Powell River.

DE-INKING COMES OF AGE. But most mills are choosing to de-ink newsprint themselves, and that means deciding what equipment to purchase.

Until just recently the "wash" system was the only de-inking process used by all recycling mills in North America. In this process, paper is immersed in water and then shredded by rotating blades. Chemicals, kept top secret by the mills, are used to dissolve the ink.

The water and fiber solution are then pumped into a pulping machine that screens out both coarse and fine debris, and the dissolved ink is drained away. From that point on, the manufacturing process is much like the making of newsprint from virgin fiber.

The wash process works well, mill executives report. And newspapers say in many cases the recycled newsprint that is produced by this means looks and performs much like virgin newsprint.

But de-inking technology is constantly evolving. Witness the development of the newer flotation method of removing the ink content from old newspapers: Minuscule air bubbles and chemicals attract ink, dirt and other impurities in the mixture of pulp and water. Attached to the bubbles, the impurities float to the surface and flow into a waste-water treatment system; it removes the ink and other contaminants, then recycles the water.

Flotation combined with the wash process is already widely used in Europe and Japan, and the majority of new de-inking projects in North America will also be flotation-wash combinations.

For most of the mills, the decision to combine the two technologies was easy. The flotation method does not work with flexographically printed newspapers because flexo's water-based inks do not float the way oil-based inks do, according to William D. Rinehart, former ANPA vice president/technical and now an ANPA consultant.

"It is incumbent upon us to be able to use various types of waste paper, whether they come from letterpress, flexo, offset or whatever," says James R. Tisdale, vice president/sales and marketing for Smurfit Newsprint Corp., referring to a recycling mill the company plans to build in New York state.

Smurfit currently operates recycling mills in Pomona, Calif., and Newberg and Oregon City, Ore., which use wash technology. The company is considering adding flotation technology at the Oregon City mill.

At North Pacific Paper Co. in Longview, Wash., a new de-inking facility that is scheduled to be operating by the end of next year will use both processes for reasons of flexibility and quality, according to Jerry Speaks, de-inking resource manager. The mill is a joint venture between Jujo Paper Co., a Japanese firm, and Weyerhaeuser Paper Co., and the technology that will be employed there comes from Japan.

Speaks declines to discuss the Japanese technology in much detail. "It is widely used in Japan but not so much here, and it is very different from what we are used to (in North America). We are confident it will give us the kind of newsprint we need to be competitive," he says.

Atlantic Newsprint Co. in Whitby, Ontario, will employ wash and flotation equipment from Europe. Norman Lloyd, production manager, says that the mill's water treatment system has been designed to yield a cleaner effluent. About 60 percent of the waste water will be reused, while the remaining 40 percent will be shunted into the sewer system.

> *"When you produce recycled newsprint, essentially you are trying to turn a sow's ear into a silk purse."*
>
> **Bob Moran**
> **Bowater Inc.**

"We are very aware of the environment," Lloyd adds. "It wouldn't make much sense to produce a product that helps the environment on the one hand and then damages it in another way. And we won't do that." The Whitby mill will start up in December and should be producing newsprint by January. It will be the first Canadian mill to produce newsprint from 100-percent recycled fiber.

ADDING MAGAZINES TO THE FLOW. The flotation method of de-inking offers another advantage that pleases environmentalists. Unlike the wash process, the flotation method can accommodate not only old newspapers but also old magazines.

Moreover, the clay content from the coated stocks actually helps to produce brighter newsprint, the mills say.

The balance between clay and fiber is delicate, though. Bowater's Moran says while some clay is good, too much clay at the expense of newsprint fiber makes weaker newsprint.

In addition, mills cannot accept magazines that have been glued. The glue creates "stickies" that contaminate newsprint.

There is another problem with magazines. Although many mills say they will buy returns and overages from commercial printers and other sources, for the most part there is no formal collection procedure for "post-consumer" magazines.

The mills say that will change as more de-inking facilities create demand. They envision magazines being collected much the way newspapers are.

And despite reports of a glut of collected newspapers in the Northeast, the mills are taking a long-range view of supply. They are working to ensure a steady stream of old papers to keep the recycling mills of today and tomorrow humming.

"It is really a priority for us," says Speaks of North Pacific Paper. "Without the infrastructure to bring us old newspapers, we would really be scrambling to meet our demand. We do not want that to happpen."

The mills say because of cost involved in hauling old newspapers long distances, they are trying to draw them from areas close by. Atlantic Newsprint, for example, will use collection sources in Ontario and upstate New York.

Mills also are concerned with how well-sorted old newspapers are, because contaminants like glass, paper clips, adhesives, and rubber bands can mar the papermaking process.

Bob Rickman, manager/administration for the Augusta (Ga.) Newsprint Co., says the sorted papers the company has been obtaining look fairly clean. However, just in case the collected papers aren't pristine, Tisdale of Smurfit says there is an advantage to using both the flotation and wash systems, as well as various other techniques to filter out foreign matter. Using such technology allows mills to "cover all the bases" and produce quality newsprint, he says.

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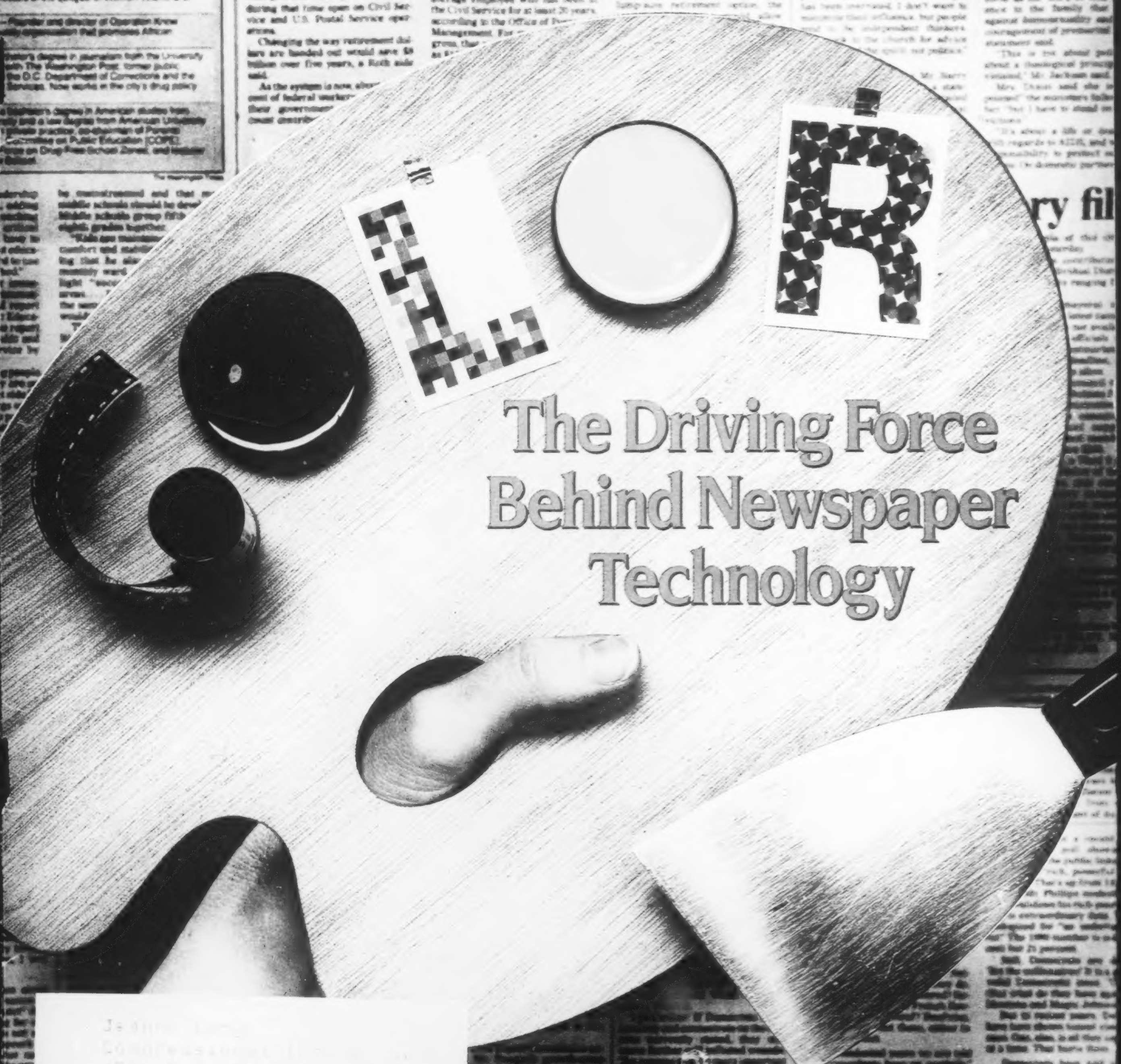
Economic Downturn Pinches Newspaper Profits



The Driving Force Behind Newspaper Technology

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Special Report *Color is the raison d'être for much of the technology newspapers use these days. From cameras and film to electronic pre-press systems, imagesetters and printing presses, newspapers of all sizes are seeking equipment to help themselves improve their color and satisfy the constantly rising demands of readers and advertisers. The marketplace is full of options to help. Using the new equipment and keeping a tighter rein on production procedures have resulted in more and better color. But, as always, having properly trained personnel is critical.* **22**

Brother, can you spare an ad? *Newspapers from coast to coast are reeling from the sting of the "R word." Some dare to say it aloud: Recession.* **6**

United cultures *Changing U.S. demographics and foreign political events are helping ethnic publications to evolve and reach new audiences.* **12**

East-West conflict *There are clear differences between newspapers on the Atlantic and Pacific coasts. One longtime Easterner likes what he's reading in California.* **18**

Question of identity *Common sense and sensitivity toward privacy are playing larger roles in newspapers' styles of identifying people.* **30**

Profile: Sandra Rowe *This member of a Virginia newspaper family takes spunk and shrewd news judgment to the top editorship of the Norfolk newspapers.* **36**

Essay: Make ads sing *Newspaper advertising is dull, says Don E. Schultz, a professor who recommends three steps to improvement.* **37**

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State of siege *After $2.5 million in repairs to its plant, El Espectador is almost back to its "normal" routine of death threats and heavy protection.* **41**

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Circulation analysis *Two-thirds of U.S. dailies with circulations of 50,000 or more report gains, but penetration continues to slide.* **48**

The heat goes on *The New York Daily News strike is an old-fashioned struggle of violence and intimidation that carries profound meaning for newspapers.* **56**

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CHAIRMAN'S CORNER

Next May's Vancouver Convention will focus on revenue opportunities

I recently returned from Vancouver, British Columbia, where I attended an exciting meeting of the Convention Arrangements Committee chaired by Paddy Sherman, chairman of Vancouver's Pacific Press Ltd.

I must admit, I'm jaded after attending nearly 30 ANPA Conventions during my career. I had little hope of being "turned on" by this or any other convention. Well, the unexpected happened.

Paddy threw the door open for a full discussion—and discuss we did. The theme quickly emerged: Our industry has serious short- and long-term problems, and this Convention should focus on them and on solutions to them.

Someone asked, "What kind of a program can we put together that will give our members a clear fix on our problems, identify opportunities, and offer specific solutions they can use for individual newspapers and the industry as well?"

Everyone, and I mean *everyone*, on the committee got turned on.

ANPA has become very effective representing us with policy-makers on Capitol Hill. There are significant things we can do now to increase our revenues. Some will require individual newspaper actions; others will require activities on an industrywide basis.

We need your help and cooperation as never before.

Lloyd G. Schermer

Here's an overview:

Most of our problems and opportunities are interrelated. The overall theme for the Convention will focus on revenues. What's happening out there that we can use to build circulation, readership and advertising revenues in a very competitive environment?

The program will tie together readership and circulation success stories; new frontiers in news; telecommunications opportunities; turning postal threats into opportunities; the post-press and distribution project as a hidden marketing tool that may be our long-term hole card; and exciting developments at the Newspaper Advertising Bureau that will include database marketing opportunities, implications of the census and its new TIGER (Topologically Integrated Geographic Encoding Reference) mapping capability, innovative collective team-selling opportunities at the national and local levels, and specific steps newspapers must take to reverse retail advertising erosion.

The committee's goal is to tie a package together you can take home and use when you get there. In short, this will be a working Convention.

Vancouver is one of the most beautiful cities in the world. The convention center and hotels are as fine as anything I've seen in the States. This year we celebrate the 300th anniversary of North America's first newspaper. Our success over the next 300 years will require that we work closer together than ever before.

It's going to be a value-packed, working Convention, so when you pack your good suit for Vancouver in May, throw in a pair of work gloves, too. You'll need them.

Lloyd G Schermer

Lloyd G. Schermer
ANPA Chairman

1991 LOOKS FLAT

Recession in Some Dampens Newspaper

Newspapers aren't exactly buying Chicken Little's belief that the sky is falling, but they are anxious about the black cloud that has settled over the industry from coast to coast.

There are some notable exceptions among newspapers amid the picture of gloom and at least one notable dissenter among analysts, but most observers say newspapers have fallen into a real economic funk. While the federal government is straining to avoid the "R word," recession, media analysts point to these conditions hurting the newspaper business:

- Oil-price hikes resulting from the Iraqi crisis
- The bankruptcies and mergers in the retail industry
- The savings and loan debaclé
- Federal budgetary woes
- Sluggish employment growth
- Declining housing starts
- And, certainly not the least of adverse factors, jumpy consumers.

Regardless of the debate over whether the nation has entered a recession, few industry observers mince words when speaking about the newspaper business *per se*.

"The industry is clearly in a recession," says Miles E. Groves, vice president of economic and media analysis for the Newspaper Advertising Bureau.

Ad linage has plummeted from the early-1980s' double-digit growth patterns, pinching profits. Newspapers are responding by administering tough cost-cutting measures.

In New England, where the country's economic engine has ground nearly to a halt and ad linage has fallen off a precipitous 20 percent, newspapers have had to make the cruelest cut of all: layoffs. Newspapers in the Sun Belt and on the West Coast, where the economy has declined more gradually, have also resorted to layoffs.

No part of the United States has escaped the downturn entirely, although the degree varies from place to place. In all regions there are instances where newspapers have frozen, or at least slowed, their hiring. Publishers are also watching their other giant cost item, newsprint, and shrinking their newsholes as ad linage diminishes.

Drooping revenues have also put a crimp in discretionary travel, as shown in attendance at the October meeting of the Associated Press Managing Editors in Dallas. About half the expected number attended, 385, compared with highs of 850 in the early 1980s, 653 in 1988 and 489 in 1989.

Run-of-paper ad linage took an 8.2-percent dive for the first three quarters of 1990 from the same period last year, according to Alex. Brown & Sons Inc., a Baltimore investment house that tracks large public media companies. Classified got bruised the worst, with a drop of 10.2 percent; local retail was next, down 7.9 percent; and national fell 6 percent.

Ad revenues also fared poorly. For the first three quarters of this year they dropped an average 2.2 percent at newspapers belonging to five of the large media companies followed by Alex. Brown & Sons, says Kenneth T. Berents, vice president/senior analyst at the firm. Berents says even if newspapers get a seasonal break with increased revenues during the holidays, the yearly tally of ad revenues is headed for a decline.

Jay Campbell, vice president/advertising for Cox Newspapers, doubts the holiday season will do much for ad revenues this year. "You're probably going to see a very difficult Christmas," says Campbell. After that, newspapers have probable increases in newsprint prices and postal rates to look forward to, he says.

If the end-of-year average does wind up a minus, it would mark the first year that income from advertising dropped industry-wide since 1970 when it dipped 0.2 percent, according to the NAB.

Berents says ailing ad revenues logically affect the market value of newspapers, and he quotes brokers at a recent National Newspaper Association convention who estimated that prices for dailies have dropped by at least 25 percent.

To add salt to the wound, newspapers are having a tougher time collecting for the ads they do get, says James Ralph, vice president of ANPA Credit Bureau Inc. "On the average," he says, "advertisers are paying three or four weeks later" than they ordinarily would, and "newspapers are losing money they would have made in bank interest."

HOW BAD IS BAD? Newspapers felt the ill winds blow more than a year ago and began to brace themselves for stormy weather by shaving expenses to ward off declining profits [**presstime**, April 1990, p. 26]. Since then, the climate has gotten even colder—and exactly when it will heat up is anyone's guess, publishers say.

NAB's "National Economic Overview," which looks at the nation's economy and its effect on advertising, stated, "We expect little or no improvement in 1991. More important, we expect no sharp upturn during the recovery period. At present, all of the economic fundamentals suggest modest growth, at best, in 1992 and beyond."

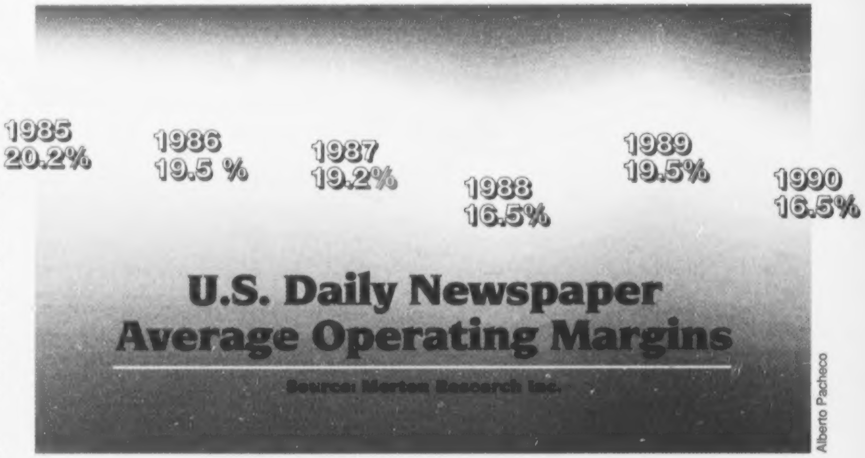
Nonetheless, the September report added, there will be an upturn, evidence of which "should become apparent in the second half of 1991, followed by further improvement in 1992." Ad revenues are projected to increase by 2 percent in 1991 and 5 percent in 1992. (See chart, p. 8.)

Contrary to analyst Berents' view, NAB foresees a very slight increase, 0.5 percent, in ad revenues for 1990. However, economists point out that this increase would amount to no growth at all in volume..

Whether this reduced opportunity for profit puts newspapers in dire straits is a matter of divergent opinion.

Quarters
Profits

As advertising linage shrinks, publishers cut staff and newsholes. The economic woes are reported in most regions.



U.S. Daily Newspaper Average Operating Margins

Source: Morton Research Inc.

Alberto Pacheco

Capitalism thrives on growth, says Berents, and if the industry fails to sustain its momentum, the results will be debilitating. Shrinking operating margins mean cutbacks in employees, lower morale, curtailed expansion and other unpalatable consequences.

He fears the industry is faced with more than a cyclical downturn. The problems are long-term, Berents says, brought on by major changes challenging newspapers—among them more competition for the readers' time, widespread functional illiteracy, niche-marketing trends, and the indifference of many young Americans toward community affairs and politics.

At the other end of the spectrum, John Morton of the stock brokerage firm of Lynch, Jones & Ryan in Washington, D.C., debunks the fuss on Wall Street. "All that is really happening is that instead of being two or three times more profitable than most businesses, newspapers this year are reduced to being only one or two times more profitable," says Morton. "For newspapers, a recession means only that earnings may not grow and may decline, but it does not mean earnings disappear."

Morton acknowledges that the 13 publicly owned newspaper companies that provide detailed financial data reported the worst record in two decades for their second-quarter and first half of 1990. But he says, "There is nothing shabby about an average operating profit margin of 14.9 percent, even if it is down from 17.7 percent for the same period in 1989. There are lots of industries that do not see 15-percent margins in the midst of their biggest booms in history."

The actual problem the newspaper industry is facing, Morton says, is "its difficulty in meeting the level of profit expectations" established in past years. "The only real danger in this problem is that some newspapers might therefore try to do too much to shore up profitability by trimming staff, newshole and journalistic effort," he says. "Some moves in these directions may be advisable, but going even a few steps too far damages product quality—a consequence liable to far outlast the difficulties of the current recession."

NEW ENGLAND BLUES. The number of newspapers taking such steps is growing. The wave started in New England, but it is rolling over other parts of the country now.

Among New England newspapers cornered into layoffs, the New Haven (Conn.) Register let 50 workers go in two rounds of layoffs in October, leaving a staff of 404 full-time employees, says Robert M. Jelenic, president and chief executive officer of the Journal Register Co. Twenty of those let go were editorial employees, leaving 108 full-timers in the newsroom. Jelenic says a plunge in ad linage, "off by just under 20 percent," forced the layoffs.

However, the thinking of top executives about how extensive the cuts should be did not mesh. Thomas P. Geyer, who was chief executive of the Register at the time of the first round of layoffs of 19 people, protested the second round, reportedly arguing it would cut too far into the muscle of the newspaper. Jelenic dismissed Geyer Oct. 15 and executed the second round the next day.

Jelenic acknowledges that getting out a good product for the readers and advertisers while cutting costs is a "fine balancing act," but he maintains the New Haven paper "had too many people."

The Register is also saving money on newsprint because the newshole has been reduced as the ad linage has dropped, and because press spoilage is being more closely monitored. Jelenic says a smaller newshole does not translate into a disservice to readers. If the news is "packaged right" in a concise format, the reader is actually better served, he maintains.

The Register's sagging linage is typical of New England, says Jelenic: "It makes us one of the crowd."

The Valley News in Lebanon, N.H., has laid off eight employees and left vacant 10 other slots, reducing the staff from 96 to 78.

The layoffs were the first since the founding of the paper in 1952, says Publish-

Distribution of Total U.S. Daily Newspaper Advertising Expenditures

	NATIONAL			RETAIL			CLASSIFIED			TOTAL	
YEAR	$ billion	% share	% change	$ billion	% share	% change	$ billion	% share	% change	$ billion	% change
1989	3.2	10	3.7	16.9	52	4.4	12.2	38	2.8	32.4	3.8
1990*	4.2	13	5.4	17.2	53	3.0	11.1	34	(5.0)	32.5	0.5
1991*	4.3	13	2.3	17.6	53	2.3	11.3	34	1.8	33.2	2.0
1992*	4.5	13	4.7	18.4	53	4.6	11.8	34	4.4	34.8	5.0

Source: Newspaper Advertising Bureau
*forecast

er Willmott Lewis Jr. He says that when the Valley News began to feel the pinch in late 1989, it first turned to less drastic cost-saving measures. However, "starting in July or August, we couldn't find any other alternative," he adds. At that time, the New Hampshire daily paper froze the vacancies, and in early October it announced the layoffs.

Lewis doesn't perceive any hint of a turnaround in the New England economy. The mood is so dark, he says, "I haven't seen a thing yet. I'm not sure there is a tunnel, let alone a light at the end of it."

In Holyoke, Mass., Publisher Tom Schumaker of the Transcript-Telegram says a 20-percent drop in ad linage spurred layoffs of 10 employees in October. The paper has frozen 12 other positions since last year for a total reduction of 22 positions, 12 of them in the newsroom.

Schumaker calculates the staff cuts together with reductions in newshole and use of process color, as well as other cost-savings, add up to about $600,000 annually.

The Providence Journal Co. is not replacing job vacancies as quickly as it might in better times, but it has at least averted layoffs. "Luckily, we're in better shape" than some other New England papers, says James V. Wyman, executive editor of the Providence Journal and Evening Bulletin. "We're a diversified company. That helps in tough times."

OTHER REGIONAL ILLS. Farther down the Eastern seaboard, Dow Jones & Co., publisher of The Wall Street Journal, will shut its Philadelphia bureau Dec. 31. Six editorial employees will lose their jobs. The paper is also going to fold the copy desks at its Brussels and Hong Kong bureaus during the first quarter of 1991, offering jobs in New York City to copy editors who are stationed there, says Roger May, Dow Jones director of corporate relations.

May says the Journal has been "making economies" since the October 1987 stock market crash, but these and other cost savings were instituted after Dow Jones reported a 17.5-percent retreat in third-quarter profits. The Journal froze capital spending, capped the budget—including salaries—at the 1990 level, eliminated some temporary positions, reduced management bonuses and took other steps. On the revenue side of the financial equation, it announced a hike in its single-copy price from 50 cents to 75 cents, beginning this month.

In the Sun Belt, where the economic slide is generally not quite as steep, Jay Smith, publisher of the Atlanta Journal and Constitution, says, "In very rough terms, we are looking at advertising volume declines of about 10 percent from last year." The decreases have ripped into retail and classified about equally, he says.

It's a bittersweet consolation, but Smith detects a gain at least in advertising market share at a time when advertisers are spending less. He attributes the gain to healthy circulation at both papers, which grew at a clip of 9.3 percent during the six months ending Sept. 30, compared with the same period last year. "It's made us the hot medium in Atlanta," Smith says.

The Atlanta papers have been very watchful of their expenses during the past couple of years, he says, and have not had to cut staff as a result of the ad linage falloff.

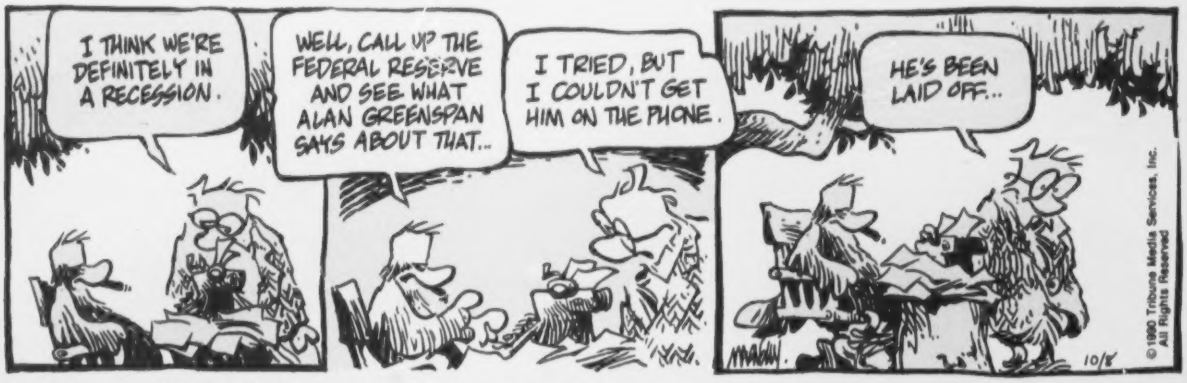
Trouble has also struck in Tennessee. The Nashville Banner laid off four newsroom and three clerical employees because of flat ad revenues and because of expenses incurred in the building of a new plant. The Commercial Appeal in Memphis, buffeted by a foundering local economy, laid off 12 people and cut 20 more jobs by attrition.

Newspapers in the nation's breadbasket have a leaner ad diet these days, too. Daryl M. Hall, president and publisher of the Kearney (Neb.) Hub, says 1990 has been a "rough year" in Kansas and Nebraska, with ad linage down 5.8 percent for dailies reporting figures to the Inland Press Association.

The Hub's linage fell by 10 percent because of "cautiousness in the retail community," says Hall, even though retail sales in Kearney are up. "Buyers are probably going

'Shoe'

By Jeff MacNelly


I THINK WE'RE DEFINITELY IN A RECESSION.
WELL, CALL UP THE FEDERAL RESERVE AND SEE WHAT ALAN GREENSPAN SAYS ABOUT THAT..
I TRIED, BUT I COULDN'T GET HIM ON THE PHONE.
HE'S BEEN LAID OFF...
MACNELLY
10/8
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Repinted by permission of Tribune Media Services to the discount stores," laments Hall. "Unfortunately, they're going to people who do well without us."

Hall says in previous years the Hub has outperformed other papers its size in linage, so he's hoping this year is "a shakedown" that brings the paper back to its previous course. He is not clamping down on costs because he expects the economic malaise to be fairly short-lived. "We're not anticipating this is going to continue," says Hall. "We're hoping things are going to turn around."

While the northern Mountain states are still straining against a two-year economic slowdown, higher oil prices are expected to inject some energy into the economy from Texas through Colorado. But so far, says John M. Roberts, publisher of The Victoria (Texas) Advocate, the ripple effect has not amounted to much. There has been a 1-percent to 2-percent pickup in Advocate ad linage this year over last, and the picture won't brighten much more, says Roberts. "We had some cause to be optimistic in the first quarter, but it turned out to be hollow."

New Mexico had managed to avoid the downward trend for a while, but signs of a weakening economy are showing up in help-wanted and real-estate linage, says Hugh C. Sarrels, operations director at the Albuquerque Journal. Meanwhile, the Journal's circulation is up. One reason for that might be that when people have to tighten their belts, they are "shopping a little wiser, and they're looking in newspapers for prices."

Even the usually robust economy of California has lost some vitality. Laura Morgan, public information supervisor at the Los Angeles Times, says ad linage has soured particularly in the last few months. Times classifieds sank by 21.5 percent in September compared with September 1989, she says. Total ROP ad volume fell 7 percent.

Facing the uncertain economy, Publisher and Chief Executive Officer David Laventhol told employees in a letter that the Times would be slower to fill vacancies and more zealous in conserving newsprint.

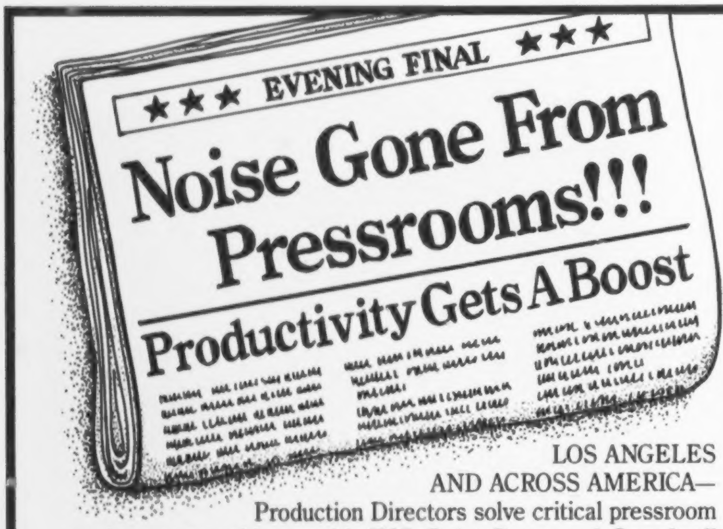
The Daily News in suburban Los Angeles went even farther, laying off 50 people, or 4 percent of its work force. "The Daily News is undergoing restructuring as a result of economic conditions facing newspapers across the country," Publisher David J. Auger said in a brief statement.

Newspapers in the Northwest have taken their licks, too, with an overall 1.7 percent decline in ad linage for the year from September 1989 to September 1990, according to statistics gathered by the Pacific Northwest Newspaper Association.

"There is a mistaken notion that the Northwest is somehow isolated from the problems of the rest of the economy," says Robert J. Weil, president of Northwest Media Inc., which owns three dailies and three weeklies in Washington.

Some success stories in the state stand out in an otherwise dreary overall industry picture. Two of the dailies owned by Northwest Media saw their ad linage increase by double-digit percentages between September 1989 and September 1990. The Valley Daily News in Kent recorded a 36.7-percent increase for the month of September, and the Journal-American in Bellevue posted a 17.9 percent increase.

"Our success is a matter of looking carefully at pricing structure so we're not gouging our advertisers," says Weil. "Success isn't driven by the economy alone, but by paying attention to readers and advertisers during soft economic times." ☐



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Circulation rises at two-thirds of larger U.S. dailies

Sixty-seven percent of U.S. daily newspapers with circulations of 50,000 or more gained circulation over the past year, while 54 percent showed circulation growth greater than a full percent, according to an ANPA analysis of Audit Bureau of Circulations' FAS-FAX reports.

For Sunday papers with circulations of 50,000 and more, gains were achieved by an even greater percentage : 74 percent, with 66 percent of these newspapers growing more than 1 percent.

Although total U.S. daily newspaper circulation declined slightly last year, a market-by-market analysis by ANPA's Circulation and Readership Department, indicated that a significant number of dailies are growing. (See chart.) Overall, Sunday circulation has been increasing steadily since 1946 as more and more dailies have added Sunday editions.

On the downside, the number of newspapers gaining penetration—the ratio of newspaper circulation per 100 households—remained fewer than those with slipping penetration. Overall, 35 percent of daily newspapers and 42 percent of Sunday newspapers increased penetration in the primary markets.

The analysis was of circulation averages for the six months that ended Sept. 30, 1990, compared with the same period a year earlier.

Altogether, figures for 827 daily and 577 Sunday (or weekend) U.S. newspapers were studied. The analysis did not encompass newspapers that changed their frequency of publication or had substantial changes in their boundary lines or in their designated markets.

Separate analyses by other organizations of the 50 largest-circulation daily and Sunday papers showed that as was the case for the six months ending March 31, 1990, the top circulation gainers in the latest reporting period were The Atlanta Journal and The Atlanta Constitution, The Tampa Tribune and the Los Angeles Times [presstime, June, 1990, p. 76].

The Atlanta papers' combined daily circulation increased 8.1 percent, as did the Tribune's. On Sunday, the Tribune outpaced the Journal and Constitution papers in Sunday circulation, growing 6.2 percent compared with Atlanta's 4.4 percent.

The Times' Sunday circulation gain of 7.5 percent outstripped the Tampa and Atlanta increases. The Times' daily circulation grew 7.8 percent. □

Changes in U.S. daily newspaper penetration and circulation (between Sept. 30, 1989, and Sept. 30, 1990)

Daily circulation (and number of papers)		Increased penetration	Decreased penetration	Increased circulation	Decreased circulation
Under 10,000	(124)	38 (31%)[1]	85 (69%)	59 (48%)	65 (52%)
10,000-49,999	(505)	179 (35%)[1]	325 (65%)	264 (52%)	241 (48%)
50,000-99,999	(109)	41 (38%)	68 (62%)	74 (68%)	35 (32%)
100,000 and over	(89)	32 (36%)	57 (64%)	58 (65%)	31 (35%)
Total:	(827)	290 (35%)	535 (65%)	455 (55%)	372 (45%)
Sunday circulation (and number of papers)					
Under 10,000	(29)	12 (41%)	17 (59%)	12 (41%)	17 (59%)
10,000-49,999	(336)	139 (41%)	197 (59%)	217 (65%)	119 (35%)
50,000-99,999	(94)	47 (50%)[1]	46 (49%)	70 (74%)[1]	23 (25%)
100,000 and over	(118)	44 (37%)	74 (63%)	87 (74%)	31 (36%)
Total:	(577)	242 (42%)	334 (58%)	386 (67%)	190 (33%)

[1] One paper in this circulation category that no change.

Source: ANPA analysis of data reported by the Audit Bureau of Circulations

ABC grants exception to Philadelphia Inquirer; board members elected

The board of the Audit Bureau of Circulations overruled a staff decision and granted an exemption allowing The Philadelphia Inquirer to count gains achieved by a suburban circulation drive.

Jimmy E. Manis

Also at its Nov. 10 meeting in Chicago, the board elected one new member and re-elected three others to represent the ABC Daily Newspaper Division.

The dispute with the Inquirer centered on whether the paper could count the circulation gains it was making on a special Thursday-Friday-Sunday package for subscriptions and single-copy sales in the Pennsylvania suburbs of Philadelphia. The so-called "Daily Penetration Plan," which was launched in September 1989, replaced Sunday-only home delivery in those areas. A similar package covering editions published Wednesday through Sunday has been in effect in Philadelphia's New Jersey suburbs since 1985.

ABC staff said the Inquirer's stated gains could be counted only if there was 100-percent delivery under the DPP, not the 88 percent the Inquirer was reporting. If the staff ruling had stood, it would have reduced Inquirer circulation numbers by about 39,000.

After an appeal by Publisher Robert J. Hall, the ABC board agreed with the staff interpretation but then granted the Inquirer an exemption, according to the newspaper. An ABC spokesman declined to comment on the case.

Newly elected to the ABC board is Jimmy E. Manis, vice president and general manager of The Pittsburgh Press, who will represent daily newspapers published in the Eastern Time Zone. Manis replaces Thomas B. Sherrill, vice president/marketing of The Columbus (Ohio) Dispatch, who did not seek re-election.

Re-elected were William C. Green Jr., publisher of The Huntsville (Ala.) Times, representing daily newspapers published in the Central Time Zone; R. David Threshie, publisher of The Orange County (Calif.) Register, representing the Mountain and Pacific time zones; and Russell A. Mills, president of Southam Newspapers of Toronto, representing Canadian daily newspapers.

The board also unanimously approved a rule change for all U.S. and Canadian publications that are also distributed internationally. Effective immediately, the change states that average international circulation cannot exceed 25 percent of total distribution and still be counted by ABC for any six-month auditing period. Until the change, the rule did not state any specific time period, said Jacqueline J. Regel, ABC communications specialist. □

NOTE

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January 1991

Applying the FOIA in the Computer Age

presstime

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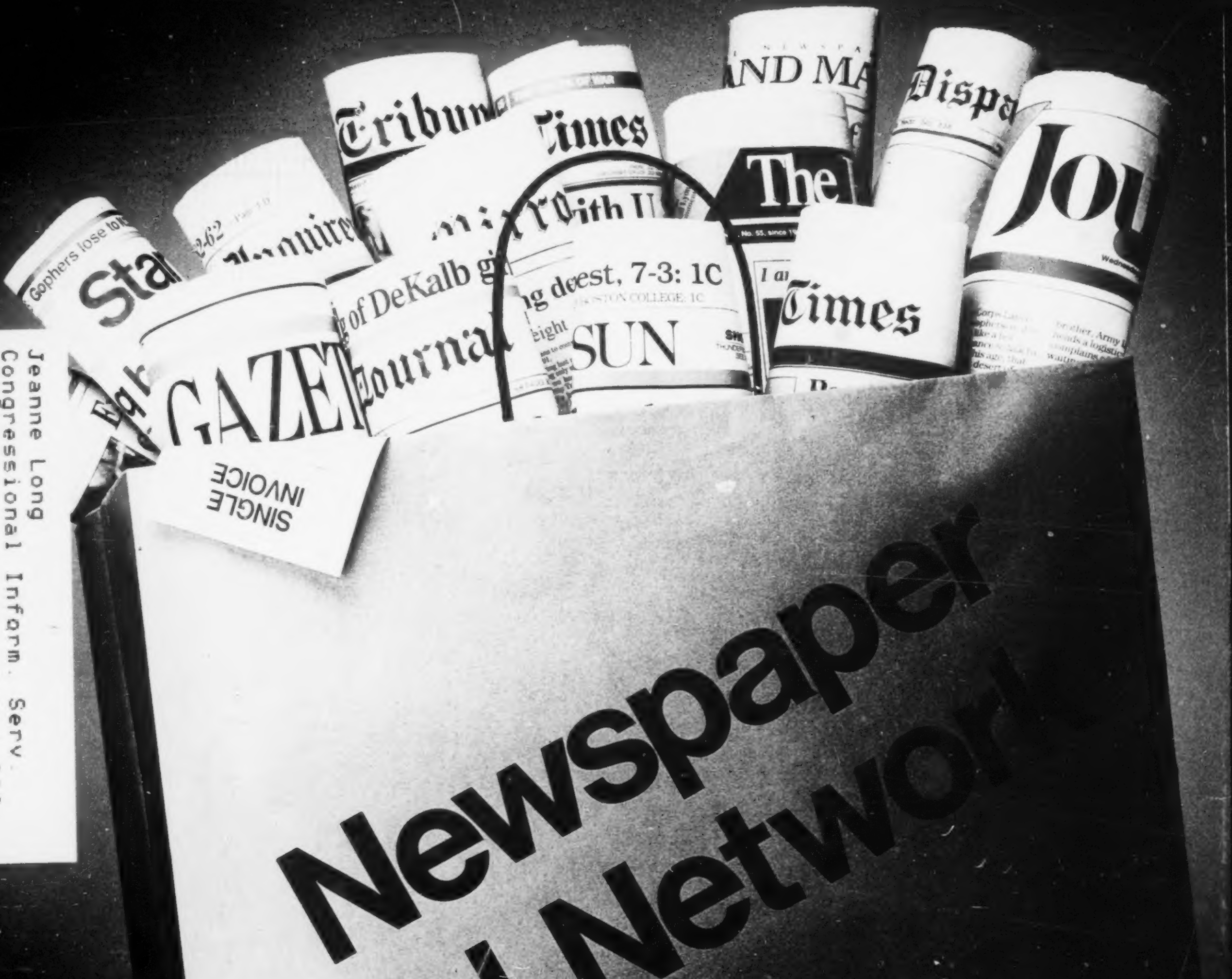
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Advertisers Gain One-Stop Shopping

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JANUARY 1991

VOLUME 13, NUMBER 1

Special Report *The newspaper advertising network, a decades-old concept, is being reborn in tough economic times as an effective method of packaging several local newspapers in a one-stop buy for national advertisers. The timing has been perfect, say newspaper executives, especially with the retail and classified advertising categories in a state of flux. Networks haven't been responsible for newspapers' ringing up huge piles of revenue, but they are helpful in convincing advertisers that their needs can be served through efficiency and flexibility.* **22**

Hide and seek *Government records on computer are easy to obtain, right? Sometimes. But other times even basic information is kept under wraps.* **6**

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Market dominance *The Bush administration may be taking a harder look at antitrust concerns. What might that portend for newspaper publishers?* **30**

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Many bridges to cross *Most newspapers have until 1992 to meet new government requirements for accommodating disabled workers.* **54**

1991: A "G" year *"Grim" and "gloomy" are the adjectives used by newspaper analysts to describe the year ahead. Economists are less glum.* **58**

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CHAIRMAN'S CORNER

ANPA success against ad tax demonstrates value of teamwork

If the cost of advertising were no longer allowed as a business deduction, what impact would that have on your newspaper's revenues as well as on the business of your advertisers?

An answer would be hard to quantify, but I'm sure you'd agree that such a tax would not be helpful in the slowest growing ad market we've witnessed in more than 20 years.

We almost got hit with the "ad tax" this year. It came up in Congress' tax discussions twice. But thanks to intelligent lobbying by ANPA and other media and advertising groups, members of Congress decided it wasn't such a hot idea and left it out in the cold where it belongs.

Preparation for this battle started in 1987 when ANPA joined advertising and other media organizations to form the Ad Tax Coalition. In 1988 the coalition initiated a study that shows the value of advertising to the economy. Then, in the early phases of last year's federal budget-drafting process, selected newspaper publishers contacted or met with 14 of 17 budget summit negotiators; 29 of 36 Ways and Means Committee members; and 9 of 20 Senate Finance Committee members. In addition, ANPA staff met with the staffs of 31 Ways and Means Committee members and the senior staff of the Senate Finance Committee.

Lloyd G. Schermer

The issue did not actually surface on the table at the budget-summit talks until 2 a.m. on a Sunday, we are told. When the ad tax was raised, a collective groan came from many of the tired negotiators around the table, and by common consent it was declared a bad idea.

The ad tax was raised again the next day, allegedly with some Bush administration involvement, and again ANPA moved swiftly. Publishers whose legislators were leaders on the tax-writing committees were called, and they in turn called the congressional offices. Once again, working with other players, your Association was successful; the issue was dropped.

I'm calling this effort to your attention because it dramatically demonstrates how important teamwork is between the membership and our ANPA staff. A few key contacts, phone calls and letters at the 11th hour helped make the difference between success and failure on an issue that had a potential for devastating consequences on our revenues as well as on the economy.

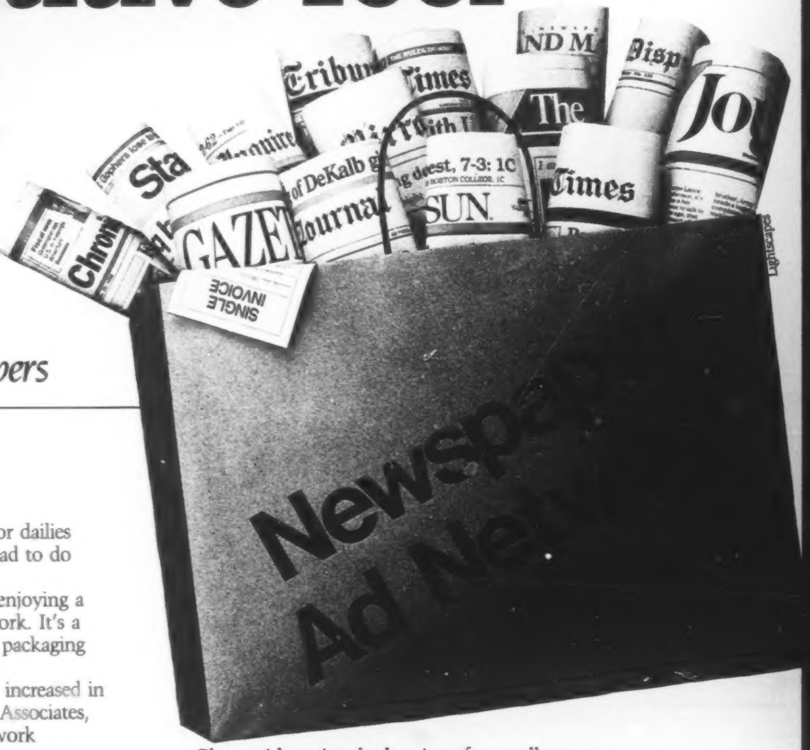
This issue probably is not dead. It—and other tax challenges—will arise again.

And, as this ad tax episode dramatically demonstrates—you, via ANPA, can make a difference.

Lloyd G Schermer

Lloyd G. Schermer
ANPA Chairman

A Competitive Tool To Boost Sales



Lightscapes

Networks make it more efficient for advertisers to buy multiple papers

BY ROLF RYKKEN
presstime staff writer

Early last summer, executives from seven major dailies in Iowa and one in Nebraska decided they had to do something about sagging ad sales.

They embraced a decades-old concept now enjoying a rebirth in hard times: the newspaper advertising network. It's a device for luring lucrative but elusive national ads by packaging several local papers together in a single, efficient buy.

In the past 10 years, newspaper ad networks have increased in number from about 80 to 250, according to Landon Associates, an advertising-representative firm and a leader in network formation and use.

Although even their most ardent supporters do not characterize the networks as potentially huge pots of gold, they can transfuse additional revenue that is especially welcome during difficult economic periods like the current one. In fact, newspaper people whose publications have affiliated with networks say that when "winning" means "surviving," networks can be essential survival tools as well as significant contributors to operational efficiency.

"With retail and classified advertising in a state of change, publishers will (want to) make it easier for national advertisers to buy," says Lance Primis, president of The New York Times Co. and chairman of a Newspaper Advertising Bureau task force on sales structure.

This month, the bureau will launch its Newspaper National Network. In the spring, The Metro Iowa Network will begin selling for its eight daily newspapers.

How successful will they be? Only time will tell, of course. But in the case of NNN, Primis notes that during a three-year experimental phase it attracted $31 million in national advertising revenue for 250 newspapers—half of them in the 50,000-and under circulation category. (See story, p. 43.)

Champions of the network concept offer a laundry list of advantages for both sides that are involved in advertising transactions.

For newspapers, the advantages include:

- Extra revenue
- An expanded sales force
- Clout with national advertisers for small papers.

For advertisers, they include:

- The ease and efficiency of placing a single order and receiving a single bill for multiple-newspaper insertions
- Discounted advertising rates, sometimes off newspapers' higher national rates, or such attractions as advantageous positioning
- Timely market research.

"The continuing formation of newspaper networks is a good sign to national advertisers that newspapers are no longer asleep at the wheel," says Mark A. Dacey, senior vice president/advertising of the Chicago Sun-Times. His company established its own 64-newspaper network in 1989 following the purchase of two Chicago suburban weekly newspapers groups during the 1980s.

Like the NNN, The Metro Iowa Network and The Sun-Times Newspaper Network, most networks are formally organized and traditional in concept; that is, they are designed for virtually all national advertisers. A less formal, lesser-used version targets specific kinds of businesses as advertising opportunities.

Network maven Herb Partridge, vice president/sales development at Landon Associates, says modern-era formal networks date from the 1960s, and over the years they have offered advertisers a buy encompassing all newspaper members. That approach is loosening with such recent entries as the Florida Newspaper Network and the long-established Boston Area Newspaper Dailies network, both of which allow advertisers to pick and choose among the participating members.

In difficult economic periods, networks can be essential survival tools as well as significant contributors to operational efficiency.

Informal networks are creatures of the last 10 years. One of Partridge's colleagues at Landon, Jeffrey A. Dietz, says these "custom-designed" groupings are aimed at advertisers like food stores, automobile dealerships and travel-related companies. In these kinds of arrangements, the advertisers *always* are allowed to select newspapers published in particular markets.

Partridge tracks networks and helps put them together. He says there were only about eight formal networks in 1965, and their ranks roughly doubled every five years between then and 1985. (See chart, p. 27.) According to his tabulations, these formal organizations outnumber their informal cousins by about 4 to 1, although the number of informal ones—currently about 50—fluctuates as ad campaigns begin and end. Landon represents about half of all the networks, he says.

A network set up in Texas recently shows clearly that it's the need to scrape through, not visions of fat profits, that is currently driving the trend. Late last November, The Papert Cos., a Dallas firm that represents smaller newspapers outside of the 50 largest markets, reported the sale of a half-page ad for placement in an informal network of seven newspapers; the ad touted New Orleans hotels and restaurants. While the revenue is not "$1 million in advertising—we're talking maybe $5,000 (altogether)—it's advertising they (the newspapers) have never received before," says Sam Papert Jr., president of the company.

Make similar deals with other networks and the revenue adds up. "As far as I'm concerned (networks) are a howling success," he says.

National advertisers spent $3.9 billion to place their messages in U.S. daily newspapers in 1990, according to estimates by the McCann-Erickson Inc. advertising agency. That's a mere 5.3 percent of the $73.5 billion they spent for national ads in all media. Media analyst Bruce E. Thorp calls national advertising "an untapped resource for newspapers."

Nonetheless, Thorp, assistant vice president of Provident National Bank in Philadelphia, says he is skeptical that efforts such as the Newspaper National Network will enable the newspaper industry to move much beyond its current share of national advertising expenditures.

The Newspaper Advertising Bureau is slightly more hopeful, and its estimates are slightly higher than McCann-Erickson's.

In December, NAB estimated that when the books are closed for 1990, they will show that national ad expenditures in U.S. dailies rose to $4.2 billion from $3.9 billion in 1989. The bureau further estimates that national accounted for 12.9 percent of the dailies' overall advertising, up from 12 percent in '89. (See chart, p. 25.) NAB projects that national advertising in newspapers will stall this year but accelerate to $4.5 billion in 1992.

Sales executives say networks have played—and will continue to play—a part in this growth.

Some executives think newspapers in some areas came to the networking concept late—after some of their competitors began forming similar alliances.

"In Florida , newspapers haven't been easy to buy," says Alfred E. Cory Jr., advertising director of the St. Petersburg Times and president of the Florida Newspaper Network. "You *can* go to one television station and buy a network. You can even go to business magazines and buy a network. You couldn't do it with newspapers." If advertisers wanted to buy, say, about a half-dozen newspapers, they had "to go to five or six and (end up with) five or six bills."

The Florida newspaper network, formed by the Sawyer, Ferguson and Walker rep firm and 19 Florida dailies, is being watched with strong interest.

In late June, two months after the network formally opened, the newspaper members were asked by the U.S. Justice Department to supply all information about the operation so its antitrust attorneys could review it for any possible price-fixing [**presstime**, July 1990, p. 56]. Since then the newspapers say they have had no further communication with the government.

So, the experience with networks has been a generally positive one for the newspapers that have joined one or more. Executives and even advertisers say the network efforts have resulted in a new kind of cooperation among different newspapers and among competing newspaper ad-rep firms, because all the parties share a common goal: to lure more national advertising.

Says The New York Times' Primis, "There is an immense

BOSTON
SWAN

Richard W. Green

The suburban Boston weekly network uses a "town crier" to announce its formation to ad-agency executive Thomas Corcoran.

willingness by publishers to put forth time, talent and resources that I've not seen."

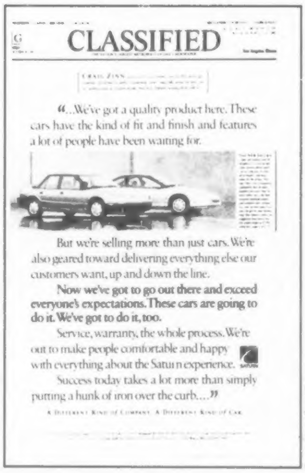
TEAMING UP TO FIGHT BACK. It's not hard to see why cooperation is the watchword of the day.

The network initiatives are part of a long battle. Newspapers have been fighting to hold onto national advertising since 1913, according to "75 Years of The Newspaper Advertising Bureau" by Leo Bogart, former NAB executive vice president and now adjunct professor of marketing at New York University.

In 1913, newspaper dominance as purveyors of national advertising was challenged by "increasing competition from mass magazines, direct mail, billboards and trolley car cards," Bogart wrote. In the 1930s, radio gained popularity.

However, what is believed to be the first newspaper ad network was put together not to deal with competing media but to compete with other newspapers. It was formed in 1923 when J.C. Kaynor, publisher of the Ellensburg (Wash.) Daily Record, and Fred (Pa) Kennedy, a field manager of the Washington Newspaper Publishers Association, traveled to San Francisco to snare what was then referred to as "foreign" advertising for the pages of their newspapers. The target was Standard Oil Co., whose advertising agency outlined its reluctance with what has a familiar ring even today: Too many newspapers make it too difficult to buy, so go away.

Kaynor and Kennedy would not go away. They proposed placing one order through the state newspaper association for an ad to appear in the member papers. There would be only one bill to pay.



CLASSIFIED

"...We've got a quality product here. These cars have the kind of fit and finish and features a lot of people have been waiting for.

But we're selling more than just cars. We're also geared toward delivering everything else our customers want, up and down the line.

Now we've got to go out there and exceed everyone's expectations. These cars are going to do it. We've got to do it, too.

Service, warranty, the whole process. We're out to make people comfortable and happy with everything about the Saturn experience.

Success today takes a lot more than simply putting a hunk of iron over the curb...."

A Different Kind of Company. A Different Kind of Car.

Los Angeles Times

Team selling brought this Saturn ad to several dailies.

The ad agency bought; publishers in Washington state liked that then and they like it now.

Just last September, the Pacific Northwest Newspaper Association approved the formation of a formal network to represent all of the dailies in Washington and Oregon. It will begin operation in February. And, as is true for the Iowa network that will follow a couple of months later, the PNNA papers plan to make their initial pitches to specific types of advertisers.

The use of advertising networks is not exclusive to the newspaper medium, of course. Nor are some newspaper companies sticking to mere newspaper networks.

Gannett Co. in November announced it was returning to selling cross-media packages—giving advertisers the option to place ads in Gannett newspapers, broadcast outlets and on billboards, a move it first tried with little success in 1984. This renewed effort is called Gannettwork. Three other large media companies with newspaper holdings have coalesced into networks: the magazines of The Washington Post Co. and The Times Mirror Corp. in one grouping, and the magazines of The Hearst Corp. in another. So far, the companies' newspapers have not been part of either.

While rep firms and individual newspapers lead the way on forming networks, at least 24 state press associations are also mining national as well as regional advertising for their members, according to the 70-member Newspaper Association Managers organization.

The decision to form networks can come in official settings

Advertising Networks Come in Various Sizes and Flavor

There are many twists to the launching and the operation of newspaper advertising networks.

But newspaper executives and others say networks should be formed only after consulting with legal counsel, and after establishing a supervisory committee of people from newspapers.

Then the selling can start, just as it's about to do in the case of The Metro Iowa Network, formed by eight dailies (including one from Nebraska). The Iowa Newspaper Association, which has a half-century of sales experience, will be among those promoting it.

While the INA sales staff makes sales calls from Minneapolis to Omaha, the new network's own salespeople—either from rep firms or from the individual newspapers—"will make calls in Los Angeles," he says. "They'll call on Detroit automakers, while we'll call on Iowa auto dealerships."

Henry C. Phillips, advertising director of The Des Moines Register, notes that as newspapers' share of national advertising dipped over the years, many papers pared their national sales staffs or merged their duties with retail sales responsibilities. This made sense, but it also reduced their capacity to attract national dollars. Now that the importance of these dollars is increasing, there is an opening for networks to step into.

Nothing comes easy, though.

Network salespeople have to do a lot of preparation, warns Frank A. Chicko, Landon Associates vice president/regional sales manager. Before visiting a potential advertiser, they must bone up on that advertiser's distribution patterns and demographic bent so they know which newspapers might not be applicable to the advertiser's marketing needs.

Jeffrey A. Dietz, Landon's southern retail sales manager, says rather than helping individual newspapers come together—he calls this the "Us Three Guys Network" approach—he goes directly to advertisers to determine their needs and which markets interest them.

Others agree with this tack.

"There are too many networks (where) a lot of people are just trying to throw (circulation) together without a rationale," says Sam Papert Jr., president of The Papert Cos., a Dallas rep firm that started forming networks about 20 years ago and is now involved in 25. "There has to be a marketing reason."

Ginger W. Stanley, executive manager of the Virginia Press Association, says that rather than stress selling against other media, "We go in and examine an advertiser's budget and encourage him to share a portion of it in a successful newspaper campaign."

The network arrangement must avoid any conspiratorial appearance of dividing customers or territories among the members.

like the PNNA's 1990 convention. Or it can come in less-structured ones, as it did last year at one of the occasional lunches attended by executives of companies publishing 57 weeklies in the Boston area. They organized the Boston Suburban Weekly Advertising Network.

The conclusions reached by the executives in the Pacific Northwest and New England were similar. "The reality is that unless you have the (total) numbers, you're not going to get these larger advertisers—so you band together," says Donald O. Morse, chairman of the Boston suburban network and general manager of Dole Publishing of Somerville, Mass.

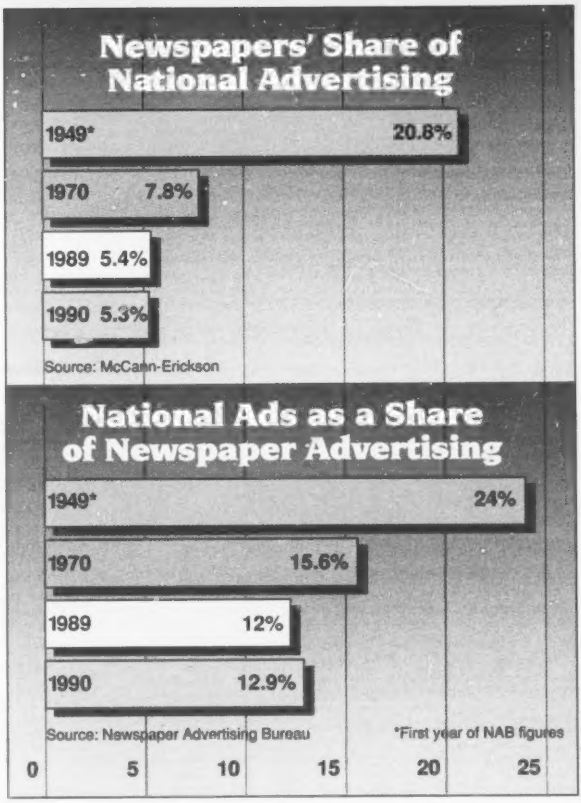
ADJUSTING THE PRICE. As an inducement to advertisers, network proponents say, it is important to offer advertisers pricing flexibility.

National advertisers have historically complained about newspapers' charging them premium rates.

But one study last year showed this was starting to ease for the first time since 1973 [**presstime**, June 1990, p. 74]. And networks are definitely part of this picture.

One recent example involved NAB's team-selling campaign that was a precursor of the Newspaper National Network. A team of NAB and newspaper executives approached Hal Riney & Partners, the San Francisco ad agency handling General Motors' account for the new Saturn automobile. At the team's urging, the agency chose newspapers over radio and billboards to announce the regional locations of dealerships.

Flexibility in rates offered by some newspapers was



Newspapers' Share of National Advertising

Source: McCann-Erickson

National Ads as a Share of Newspaper Advertising

Source: Newspaper Advertising Bureau

*First year of NAB figures

Alberto Pacheco

But They Share a Common Mission: Selling Newspaper Space

Stanley recalls that one of her sweetest victories occurred during the 1988 presidential campaign when television evangelist Pat Robertson, who was seeking the Republican Party nomination, overlooked using newspaper advertising.

She went to the campaign's advertising agency. "I explained to the ad agency that newspapers are an educational tool" that can be used for explaining Robertson's goals, whereas using television alone—the agency's original ad plan—would promote Robertson's image only, she says. The agency was convinced and placed ads not only in the VPA network but in a total of 600 newspapers from Texas to Florida.

A network acts essentially as the go-between once a sale is made. It handles the insertion order that goes to the participating newspapers, pulls tear sheets after the ad runs and sends them to advertisers. The advertiser then sends in one payment to the network, which distributes individual payments to each paper—usually within 48 hours, according to people active in networking.

Paperwork is handled by whomever the network designates, whether it is a press association, a hired executive of the network or a rep firm.

Newspaper and network executives say offering advertisers choices is crucial in the success of networks today.

The 23-year-old Boston Area Newspaper Daily network found in the mid-1980s that it had to become more flexible in its selling. Until then, advertisers had only one choice—buying all of BAND's papers. Now they can pick and choose markets among the membership, Chicko says.

The Newspapers First network can give advertisers both a broader reach with its 9.6-million daily and 11.9-million Sunday circulation and, at the same time, various choices among the 48 participating papers, says John P. Kosanke, executive vice president.

One of the most sophisticated in offering advertisers choices is the Suburban Select Network from U.S. Suburban Press Inc., the suburban newspaper rep firm based in Schaumburg, Ill.

Suburban Select, using data from the Claritas marketing firm in Alexandria, Va., provides advertisers specific demographic data based on U.S. Census tract clusters in every ZIP code in the nation. With 1,000 suburban newspapers in the top 50 markets to choose from, advertisers can narrow their choices more finely and move beyond mere geographic marketing of their products, says Robert J. Noga, vice president/public relations.

Gregg Jenkins, Virginia Press Association

Judy McMann of Virginia Press Services Inc. compiles several newspaper network bills onto one advertiser invoice.

instrumental in the decision, according to David Verklin, senior vice president/corporate media director of the agency. About 100 individual papers in the West, in the Southwest, and in the cities of Minneapolis and Pittsburgh each decided to charge their lower retail rates.

Similar flexibility is being seen in Virginia, according to Ginger W. Stanley, executive manager of the Virginia Press Association. Individual newspapers in the VPA's ad network recently told her they would lower their national rates by amounts ranging from 15 to 40 percent in an effort to capture new business. Publishers "realize that advertising dollars are tight, and to stay competitive they need to give a little," Stanley says. Just a few years ago, she comments, they would not have budged from their national rates.

While some newspaper ad executives say such easing away from national rates is not widespread, they do note that newspapers are trying to be less rigid in their response to the rate concerns of national advertisers and their agencies. One major way to respond is to offer rate reductions through a network program, they say.

Landon's 105 formal networks can cost advertisers 50 percent less than they would have paid buying each paper separately. About 1,000 suburban papers in the Suburban Select network of the U.S. Suburban Press Inc. rep firm have an average discount of 33 percent, according to Robert J. Noga, vice president/public relations.

Discounts aren't the only lures, says Executive Vice President John P. Kosanke of Newspapers First, a network formed last year with the merger of Knight-Ridder Newspaper Sales and Million Market Newspapers/Times Mirror National Marketing. Other selling points can include the so-called "value-added aspect" of placement near related editorial content, and a specific ad position.

While Newspapers First is still in a formative stage, it closed a sale last fall with the Hawaii Visitors Bureau, which bought a quarter-page ad in seven papers. Kosanke says the sale was made when the visitors bureau was told that its ad would appear either in a special travel section or adjacent to travel-related feature stories.

At the Florida Newspaper Network, Advertising Manager Sandra Daugherty solicits from advertisers a general range they are willing to pay. She presents that information to newspaper executives in the markets of interest to a given advertiser. The newspapers then bid on the business, she says, and in this way they keep competitive with direct mail and other advertising vehicles.

The federal government's antitrust review of the Florida network has prompted some networks just forming to hold back on discussing any aspect of their rate structure. As a guiding principle, "Everyone is working off their own rate cards" and not discounting, says Lane Van Wyk, national advertising manager of The Herald in Everett, Wash. The Herald will be part of the new Washington-Oregon network.

When the Boston suburban weekly network was established last summer, the participating publishers knew that having an independent advertising director in charge would help keep them at bay from possible legal problems.

"I negotiate with each newspaper on the advertising rates," says Advertising Director Jerrold Peckerman. "As a network, we can't set rates. That's called price-fixing."

The Justice Department's scrutiny of the Florida network is more a matter of curiosity than deep concern, many executives say. Daugherty points out that lawyers for each member newspaper reviewed the organization to avoid any aspect of price-fixing.

Newspapers know that there can be "no appearance of impropriety, such as talking about rates," says Dietz, Landon's southern retail sales manager.

The best way to avoid any appearance of price-fixing is for each paper to set its own rate and any discounts off the open rate, advises Gerald A. Smith Jr., general counsel of the International Newspaper Advertising and Marketing Executives association and a lawyer with the Nashville firm of Blackburn, Little, Smith and Slobey.

As a rule, networks should be entities that are separate from the newspaper, Smith says.

A network's business can be handled by that organization or by a newspaper ad-rep firm, a press association or the NAB, he says.

The network arrangement must also avoid any conspiratorial appearance of dividing customers or territories among the members. If the geographic areas covered by two or more newspapers overlap, advertisers should decide which papers to appear in, he says.

Smith says a 1986 decision in Michigan involving a network of weekly shoppers upheld in part the basic concept of a newspaper network.

In that case, a U.S. district judge said that Michigan Advertisers, the shoppers' publishing company, had not engaged in price-fixing or acted as a monopoly with the setting of lower prices for carrying ad preprints, as had been alleged by two competing weekly publishers.

However, the judge did say that a trial would be necessary to determine whether the shoppers' network was illegally excluding the two competing weeklies from participating in the network.

Dawn L. Phillips, the attorney who represented the plaintiffs, says that following the judge's decision the weekly publishers decided not to pursue the case any further.

MEASURING RESULTS. The payoff appears to hinge on paying attention to what advertisers need, and the yield can be impressive.

In 1983, some papers in North Carolina and South Carolina were losing up to 23 percent of their advertising from a regional retail chain to direct mail, thus setting the stage for Landon's Dietz to move in.

He put together a customized network and got just four papers to offer competitive rates to lure Family Dollar stores' preprints back to newspapers. But by 1984, when he began pitching a Carolinas network for the Winn-Dixie supermarket chain, 30 papers joined. They grossed $800,000—money that Dietz says would have gone to direct mail.

A similar arrangement last year for an auto dealership spanning the Carolinas grossed $2.2 million for as many as 158 dailies and weeklies; Dietz calls this money that would have been funneled to television.

Also last year, the Boston Area Newspaper Dailies network, also known as BAND, grossed $1 million—revenue that member papers would likely not have seen in a weak economy, according to Frank A. Chicko, Landon vice president/regional sales manager.

In Chicago, the Sun-Times network took in $5 million for its newspapers during its first year and is expecting a "significant gain" over that in its second fiscal year that will end June 30, says Sun-Times senior ad executive Dacey. "It is profitable right now," he says, though he declines to reveal the rate of return.

Since its inception in 1984, the advertising services arm of the VPA has earned revenues ranging from about $1 million to $6 million a year, says Executive Manager Stanley.

The suburban Boston weekly network that began selling last summer has already generated $20,000 in run-of-paper ads from customers who had not been in all of these papers before, network Ad Director Peckerman says. Chairman Morse says $20,000 may not seem like much, but he observes that it has been operating in a recession-like economy. The network, he says, "is looked at as long-term. . . . The commitment is there, and this will be successful."

Taking the long view is also emphasized by Verklin of the Hal Riney ad agency. Newspapers' flexibility on the premium national rate for Saturn ads earned a "modest" amount of revenue in 1990—he declined to specify the amount—and there is likelihood of more this year, he says.

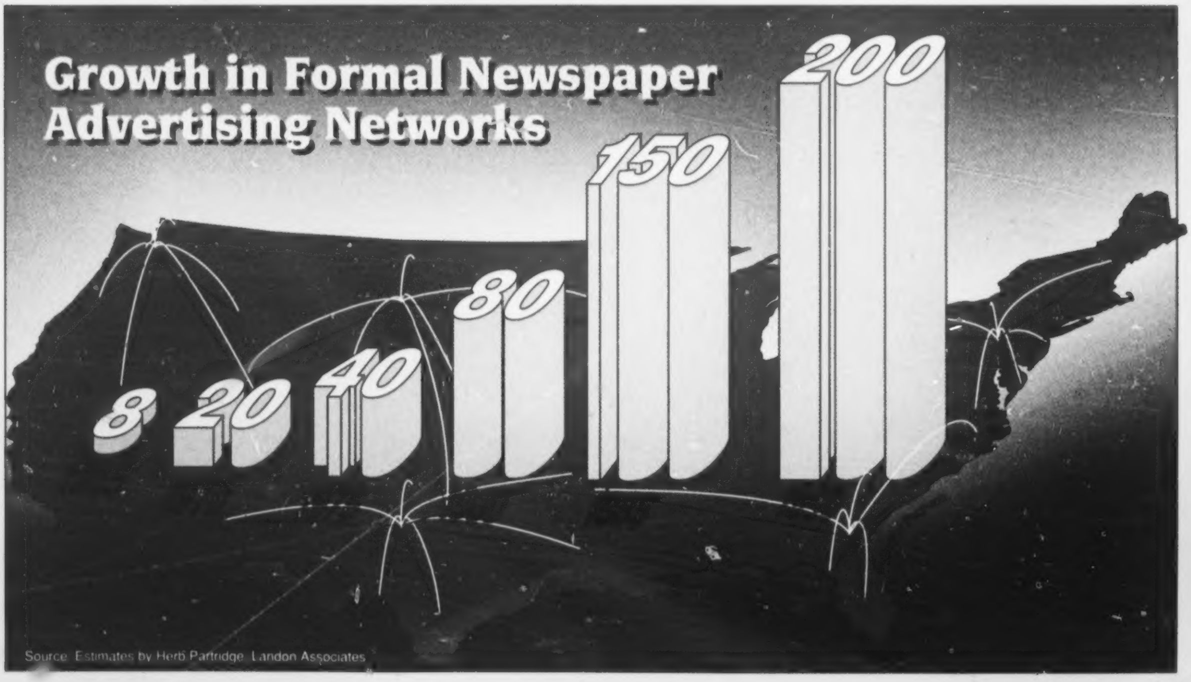
"Newspapers always come in with a pitch for the short term," he says, adding that this would have been all wrong for the phased rollout of the new GM car. "With Saturn, this is (business) in the long term. . . . (The network) allows for an ongoing relationship with newspapers."

COMPETITION AND COOPERATION. With so many newspaper networks now chugging along and with so many ad reps out selling, the competition among them can sometimes get sticky.

Ad revenue for the Washington Newspaper Publishers Association, which represents weeklies and shoppers only, peaked at $1 million in 1975, says Executive Director Miles Turnbull. Today, because of competition from other media as well as from daily newspapers, WNPA Services Inc., the association's ad services department, is generating just under $500,000, says Dixie Lee Bradley, associate director.

All the competition, says Turnbull, "is bound to have an effect. There are only so much bucks on the table." Adding to WNPA's woes will be the new network formed by the PNNA, as well as continued competition from other media.

The ad service departments of some press associations have a slight advantage over networks, Dietz says. Whereas these associations do not charge fees to handle the ads they process, he says the networks typically collect a commission on sales plus a range of fees to cover administrative costs. Such associations "are a pain in the fanny and they won't go away," he says. "If you've got something going and you seek fees for billing, the press association is only too happy to do it for free."



Source: Estimates by Herb Partridge, Landon Associates

Networks Hold Promise, Advertisers Say

Newspapers and newspaper rep firms say they are putting ad networks together because it's the best way to give national advertisers what they're demanding. And national advertisers—and their ad agencies—are responding with some favorable comments.

The networks are a "clear sign to me that newspapers are recognizing the potential importance of national advertisers, and we appreciate that interest," says John McMennamin, vice president/marketing services of the Carnation Co., whose use of newspaper advertising is described by the company as minimal. "We think (newspapers) are headed in the right direction. In a fragmented marketplace, (networks) could offer (us) a good opportunity in the 1990s."

Making it easier for advertisers to buy newspapers "is a plus," affirms Jack P. Cohen, vice president/director of print and outdoor media for DDB Needham Worldwide advertising agency.

In the past, newspaper reps trying to convince advertising agencies to place national advertising in newspapers were often limited to sales calls over the telephone, says David Verklin, senior vice president/corporate media director of Hal Riney & Partners.

Efforts such as NAB's Newspaper National Network are reversing that historial complacency, by showing advertisers and agencies that newspapers can work in tandem with them he says.

When an NAB team approached Riney & Partners last year about the advertising plan for the new Saturn automobile, members showed they had done their homework, Verklin reports. "They helped me understand about my customer and whether newspaper readers are my customers and that newspapers were understanding of our business."

The turning point for Verklin was the showing of a videotape of focus-group members talking about the importance of reliable small cars. That was the first time anyone representing newspapers had provided valuable information about a client's potential customers, he says.

The Metro Iowa Network had hopes of being in operation by now but has had several committees working on avoiding any logistical problems between various rep firms, says Henry C. Phillips, advertising director of The Des Moines Register.

"We've got so many rep firms involved and the Iowa Newspaper Association," says Phillips. "They all wanted to know about commissions and what if one gets a lead on a sale and who gets paid if two groups work on one account."

For the most part, though, everything has been smoothed out, he says. One helpful move was establishing a liaison between rep firms to schedule sales calls so that advertisers listen to one pitch only.

"In a sense (the network) unclutters things," Phillips says. By arranging sales calls, a potential client is spared multiple visits from several different papers.

Still others say that the proliferation of networks is actually good for newspapers because it builds interest in newspapers among advertisers and ad agencies. "I'd rather have more than less," says Shelly Lyons, president of Gannett National Newspaper Sales, which oversees the Gannett 4-Color network of about 300 papers that specialize in quality color reproduction. "From our perspective, we don't care who sells the business, just so it's sold."

Bob Hemm (left) and James Cunningham, ad reps for USSPI members, sell their network to Lever Brothers' Doug Latrenta.

For his part, Dietz says, "I stay out of other reps' hair. I don't want to create dissension. We've got to understand that the other paper is not the competition, (it's) direct mail or television. That's the real competition."

Stanley agrees that newspapers need as much representation with national advertisers as they can get. But the networks "have to be accurate" in placing the ads and handling the accounts, she emphasizes. If a network "drops the ball for a client, that's terrible and it hurts everyone. The networks will get a bad name. And that will make it harder for everyone to sell their own network."

No matter what the cooperative effort, some people believe that the networks won't lure much more national advertising to newspapers. "I don't believe that unless you get an advertising media budget increase, you'll see any impact," predicts Don E. Schultz, professor of advertising and marketing at Northwestern University's Medill School of Journalism.

Schultz says 60 percent of the total national advertising budget today is tilted toward promotion, with the remainder going to actual advertising. The pie gets smaller as different media fight to get a bigger slice, he says. Increasing advertisers' spending on actual advertising—instead of on such things as in-store promotions and contests—"is where the real battle is," he adds.

Rather than going it alone, newspapers should be marshaling their efforts *with* other media, such as radio and television, Schultz maintains.

His pessimistic views on newspaper networks are in the minority. Others say they are genuinely pleased that newspapers are making a greater effort to serve national advertisers. "We're very impressed," Verklin says.

At the same time, Verklin cautions that joining hands in networks is only a first step for newspapers to take in their bid to recoup national advertising. Other steps, he suggests, include getting broader newspaper use of standardized invoices and moving national-ad rates toward parity with retail rates.

He is convinced that "the cumulative effect of (such) efforts will help newspapers turn the corner," to the point where they can finally capture "the grail" of increased national advertising. ☐

Some see upturn later in year

The advertising outlook for 1991

	1991 Projections (in billions)	% Change over 1990
Local newspaper	$29.5	+2.0
Local broadcast	15.5	+4.2
Local Yellow Pages	8.2	+5.0
Other local	5.0	+3.1
Total local	$58.2	+3.1

Source: McCann-Erickson Inc.

A revived U.S. economy can't possibly begin to pull the newspaper business out of its cyclical woes until the second or third quarter of the new year. "Grim" is the way strategic planners in the newspaper industry are inclined to phrase the situation, but economists say the word is really not warranted.

At the annual PaineWebber conference on the outlook for the media, Maury N. Harris, chief economist at the brokerage company, pointed out that if the forecast of a mid-year upturn is correct—and he believes it is—it will make for a comparatively short recession.

What's more, Harris said it's not likely to be a very deep recession, "because what usually makes recessions deep is not so much precipitous drops in business as the cumulative effect of losses over time."

Yet among newspaper hands, the pall hangs on like smog over Los Angeles, though there are exceptions—in particular, Los Angeles. The Tampa Tribune's circulation director, Jack Butcher, predicted that the Los Angeles market, along with a few other bright spots like Atlanta, will shine through the newspaper gloom.

Regardless, 1991 could go down as the year in which even the optimists were glum, in mood if not in actual outlook.

Reasons given for the visceral unease lie mostly beyond the basics of standard forecasting and beyond the familiar cyclical woes of the newspaper business. They lie instead in a wide variety of trends threatening the newspaper business in particular, the U.S. economy in general, and, more broadly, the shifting world economic order whose jolts and swings increasingly work their way back to newspapers of all sizes.

The range of opinion on these non-routine concerns is wide and irreconcilable. The worries can be seen as no more substantial than the gloom that's symptomatic of market psychology at the bottom of any cycle, or they can be seen as infinitely more important than the basics.

Needless to say, publishers are concerned with both basics and harder-to-quantify influences.

Alan S. Blinder, Princeton economist and master of the basics, has written in BusinessWeek magazine that he expects a mild recession for several reasons. Some of these reasons have special meaning for the newspaper business.

Like PaineWebber's Harris, Blinder sees the Federal Reserve less than hung up on bolstering the dollar and containing inflation, though inflation in particular remains a critical concern. This means that as the economy progressively worsens, the Fed will progressively ease interest rates. He also sees oil prices coming down and recessionary problems easing for two major newspaper advertisers—builders and auto dealers.

Richard Rippe, president of the National Association of Business Economists, recently commented, "Our best guess is that the recession will be short—two quarters or less."

Of course, none of this optimism can erase financial problems that will likely occur even in a short recession. Jerome S. Tilis, Knight-Ridder vice president for marketing, told the PaineWebber gathering in New York City he sees real estate and help-wanted ads continuing to be hit hard.

Robert J. Coen, senior vice president of the McCann-Erickson Inc. advertising agency, said national print advertising will grow at a modest 3.8 percent rate, while local newspaper ads will be up a scant 2 percent.

But Coen said he expects strength in important advertising categories like consumer products, and according to his forecast advertising in local markets could pick up by mid-year or earlier.

Economists holding such moderate views are looking hard at orthodox indicators of the coming year's business climate:

- To those concerned about oil prices, they point out that despite the loss of Iraqi and Kuwaiti production, there is an oversupply of oil on world markets that should make today's high prices hard to sustain.
- To those especially worried about the size of the federal deficit, they point out that with the economy in recession, the federal government will have less competition from business as it tries to raise money to cover debt.
- To those who fret about troubled banks cutting credit for more than just cyclical reasons, they point to actual and potential end runs around the banking system—in

NEWSPAPER BUSINESS NOTES

- The newspaper **Safe Driving Campaign was discontinued** in December after nearly a half-century of co-sponsorship by ANPA and the International Circulation Managers Association. ANPA President Jerry W. Friedheim said limited Association resources are being used for more pressing priorities. The campaign, said Friedheim, "has helped newspapers over the years to make a habit of safety-conscious driving. We appreciate the help of newspaper executives in achieving this goal" [**presstime**, Sept. 1990, p. 44].
- The **layoffs of 300 Reuters Holdings plc employees,** including 50 in Reuters America, take effect in February. The Reuter news service is unaffected by the reductions announced Oct. 31, according to Robert A. Crooke, director of media relations for Reuters America, Inc. All of the employees being laid off worked in corporate administration, he said.
- The eight-day **space journey by a Japanese journalist** aboard a Soviet shuttle in December has not changed a National Aeronautics and Space Administration decision to postpone its Journalist-in-Space Project indefinitely. That project was put on hold in 1986 following the explosion of the *Challenger* space shuttle in which six astronauts and a U.S. high school teacher were killed [**presstime**, Aug. 1986, p. 37].

The first journalist in space, Toyohiro Akiyama, is a television reporter for Tokyo Broadcasting System. It paid the Soviet space program $12 million for the privilege of sending him aloft for unprecedented reporting.

particular, finance companies for small business and commercial paper for big business.

- To those concerned about stimulus, they point to a buoyant world economy, especially the Asia/Pacific region. They say it will eventually pull the United States out of the slough. John Perriss, chief of the forecasting unit for the London-based ad agency, Saatchi & Saatchi, sees the United Kingdom, Scandinavia and Switzerland as weak, but he sees growing strength—and ad markets—in southern Europe, Germany and the Asia/Pacific region.

Also, inventories are low, and this signals a short recession.

A significant question remains, however: Are those who mope that a turnaround may not come "until" mid-year right?

They themselves seem to fear it could come later, and in fact Gordon Medenica, The New York Times Co.'s vice president for corporate planning, doesn't see a turnaround for newspapers until 1992. "Business stinks," Medenica declared.

By next year, the basic indicators look strong, many observers say, but there are still the oft-discussed fundamentals that are plaguing the newspaper industry long-term, plus two wild cards in the broader economy that could torpedo everyone's best forecasts: instability in the Persian Gulf region and the world economy.

Medenica said he believes the outlook for newspapers in the near-to-medium term is 20-percent fundamental, 80-percent cyclical. One of the few bright spots fundamentally: The Tampa Tribune's Butcher said he's more optimistic about circulation than he's ever been, "though the jury's still out." He sees newspapers, like magazines, charging readers more without seriously eroding circulation.

Indeed, more than one participant at the PaineWebber conference pointed to circulation strength, derived in good part from reader loyalty, as a potential haven from advertising hits. They said this trend makes "investing in the franchise" an especially important question.

John Morton, an analyst for Lynch, Jones & Ryan in Washington, D.C., said last fall that newspaper gloom is considerably overstated, and the danger now is that because of the dip, newspapers might cut too deeply, eroding their franchise [**presstime**, Dec. 1990, p. 6].

Regarding the two wild cards, what happens to the world economy may seem to be an extension of what happens in the Persian Gulf. The two are obviously related, but concern about the world economy includes issues that lurked well before Saddam Hussein invaded Kuwait.

If there is war, it may not matter that the world currently is able to do without the oil production of Iraq and Kuwait. Oil from Saudi Arabia and the Gulf sheikdoms would be endangered, and even if it kept flowing, fear would haunt world markets, New York Times foreign correspondent Yousseff M. Ibrahim, who has covered oil and business for years, told **presstime**.

A scenario like that would of course jack up the price of such items as ink, but more significantly it could whipsaw at least two already vulnerable businesses that are important to newspapers—retail stores and banking.

Even without war, a few economists fear that just when the United States is ready for the world market to pull it out of recession, the world market, increasingly protectionist, increasingly leary of a debt-ridden America, won't be there.

Asked what would make him move his forecast of an upturn significantly forward from mid-year, PaineWebber's Harris replied, "Look at home sales, and look at the export order index, at the overseas economies."

After a litany of such cautionary talk, The Tampa Tribune's Butcher rose solemnly and deadpanned, "Let us pray." *—Jack Kramer*

Press associations: changes in command

The **American Association of Sunday and Feature Editors,** at its annual convention Oct. 24-26 in Montreal, elected the following new officers:

- *President*—Reg Vickers, Calgary (Alberta) Herald
- *First vice president*—Sue F. Smith, The Denver Post
- *Second vice president*—Barbara Schuler, Newsday, Long Island, N.Y.
- *Secretary*—Susan Bischoff, Houston Chronicle
- *Treasurer*—Dan Norman, Sun-Sentinel, Fort Lauderdale

The **International Newspaper Financial Executives,** at its annual meeting Oct. 14-17 in New Orleans, elected the following new officers:

- *President*—Catherine Heron, Times Publishing Co., St. Petersburg
- *First vice president*—O. Scott Leath, Richmond (Va.) Newspapers Inc.
- *Second vice president*—Donald Zabek, Phoenix Newspapers Inc.
- *Secretary*—Scott Messer, The Dallas Morning News
- *Treasurer*—Larry Bloom, New York Daily News.

The **National Newspaper Association**, at its annual convention Sept. 19-22 in Kansas City, Mo., elected the following new officers:

- *President*—Bruce C. Brown, Oconomowoc (Wis.) Enterprise
- *Vice president*—Charlotte T. Schexnayder, Dumas (Ark.) Clarion
- *Treasurer*—Frank Garred, Port Townsend (Wash.) Jefferson County Leader.

The **National Press Photographers Association** at its annual convention July 3-7 in Orange County, Calif., elected the following new officers:

- *President*—Michael T. Martinez, The Detroit News
- *Vice president*—Michael L. Morse, Western Kentucky University, Bowling Green
- *Secretary*—Skip Peterson, Dayton (Ohio) Daily News
- *Executive committee board representative*—Clyde Mueller, Standard-Examiner, Ogden, Utah. □

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March 1991

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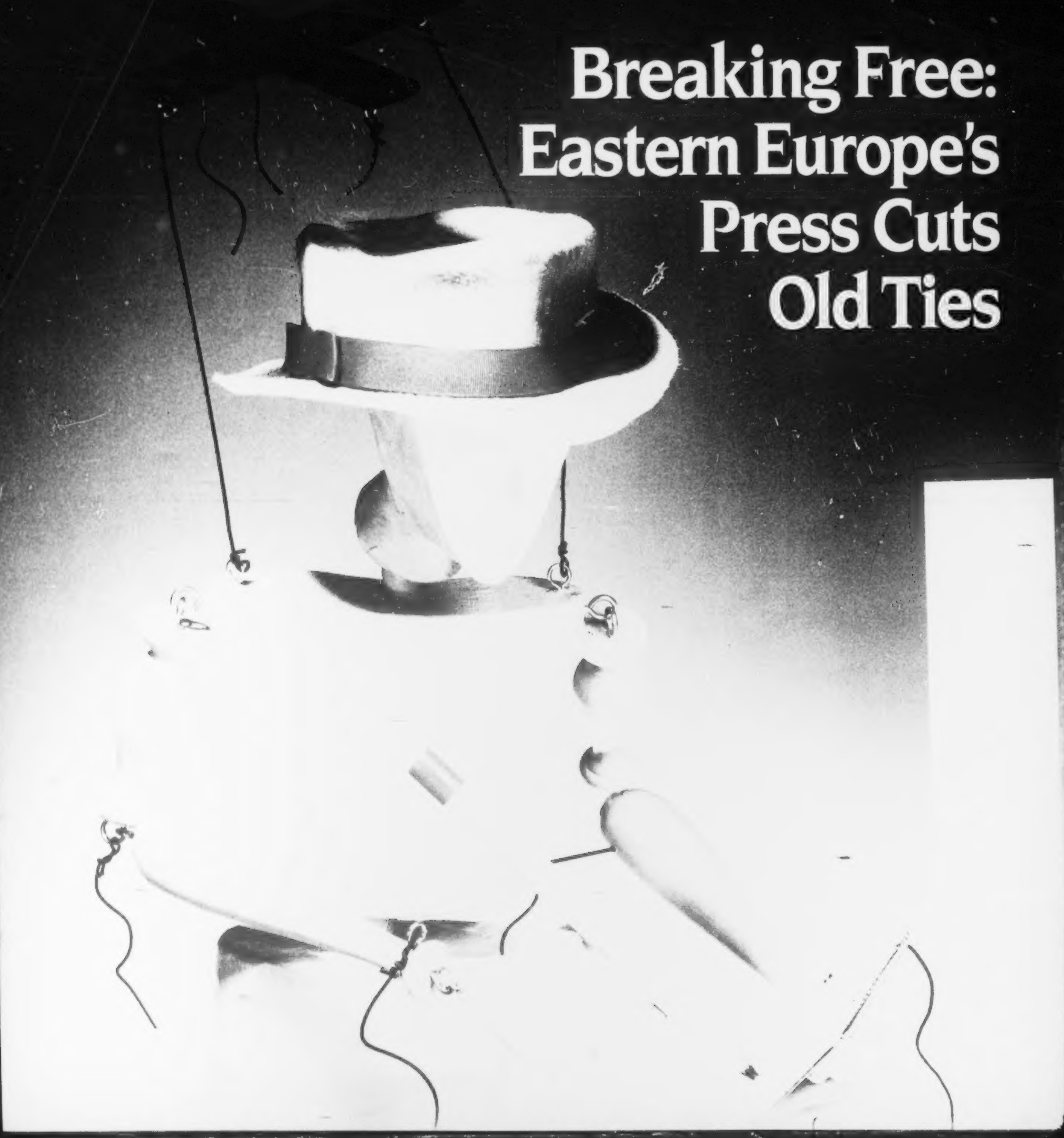
The Journal of the American Newspaper Publishers Association

White-Collar Crime Is Stinging Newspapers



Breaking Free: Eastern Europe's Press Cuts Old Ties

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CHAIRMAN'S CORNER

Actions on consultants' study are a watershed for our industry

The boards of directors of ANPA and the Newspaper Advertising Bureau recently approved the recommendations coming out of the study conducted by Booz•Allen & Hamilton. We owe a special debt of thanks to Co-chairmen Stewart Bryan of Media General Inc. and Frank Batten of Landmark Communications Inc., and their committee members who drew the specifications and guided the consultants.

Lloyd G. Schermer

It probably comes as no surprise to any of us to hear that our customers and marketplace are undergoing major changes. Association activities that once served us well must now change significantly to be effective in the future. Solutions will be more complex and require the best that all our associations have to offer in a responsive and coordinated manner.

Some of the changes embraced by the two boards can be executed in a matter of months while others will take longer. They are:

- To form a Joint Policy Committee composed of members of both boards (likely the members of the Executive Committee of ANPA and the Management Committee of NAB), whose mission will be to integrate and coordinate the activities of ANPA and NAB. After both organizations have created strategic plans with priorities, the JPC will put them together and recommend to the two boards how to share resources to solve the industry's complex and interdisciplinary problems. We hope this will make our efforts more effective and productive, taking advantage of the best resources the industry can bring to bear.
- Secondly, to form a "Newspaper Associations Administrative Center" to take care of such matters as financial operations, dues collection, personnel administration and offering these services to other associations. We believe this will save the industry significant dollars.
- Finally, to work more closely with other industry associations such as ANCAM, API, ASNE, ICMA, INAME, INFE, INMA and NPRA to increase effectiveness and eliminate duplication.

The boards of ANPA and NAB have enthusiastically and unanimously endorsed these recommendations. To implement them, we have created four committees to work with Booz•Allen & Hamilton and the NAB and ANPA staffs. The Joint Policy Study Committee is co-chaired by Bob Erburu of The Times Mirror Co. and Stewart Bryan; the Newspaper Associations Administrative Center Study Committee is headed by Don Newhouse of The Star-Ledger in Newark and Larry Leser of Scripps Howard; and two Industry Association Integration committees are chaired by Billy Morris of Morris Communications and Fred Crisp of The News and Observer, Raleigh.

The actions of the boards represent a watershed for our industry. Of course, there are risks ahead. But the greatest risk is if we do nothing. I call upon all of you to lend your best efforts, and we will achieve our objectives.

Lloyd G. Schermer

Lloyd G. Schermer
ANPA Chairman

presstime

MARCH 1991 VOLUME 13, NUMBER 3

20 **Special Report** *Once puppet-like, newspapers in Eastern Europe have severed the ties that bound them. In the past year they have joined in a parade to press freedom. The march is being led by papers in Hungary, Poland, the Czech and Slovak Federal Republic, and the unified Germany. More recently, publications in Yugoslavia, Romania and Bulgaria got into step. However, the pace is slowed by government control of printing and distribution. In response, media groups worldwide are mobilizing to help.*

6 **Shocks to the system** *Some highly publicized newspaper embezzlement and fraud cases strengthen the case for internal checks and balances.*

9 **Wired for local news** *Cable TV is again eyeing local news and advertising, but newspapers may choose to help, not fight.*

12 **Staying healthy** *Worried sick about health care costs for current employees, some publishers are limiting medical benefits for future retirees.*

16 **Patented formula** *By using patent filings and infringement suits, equipment vendors are closely guarding their intellectual property.*

30 **The drowning pool** *A reporter back from Saudi Arabia says journalists are increasingly frustrated about the press-pool coverage of the war.*

32 **Profile: Watson S. Sims** *This veteran editor works with Eastern Europeans to expand and solidify their understanding of press freedom.*

33 **Essay: New press vistas** *We are all neighbors now, says Allen H. Neuharth, so why not more international media ownership, here and abroad?*

40 **Continuing combat** *U.S. newspapers continue their detailed coverage of the war, and they prepare to go into an even higher gear when developments warrant.*

43 **Task force troubles** *A day of introspection helps the industry's task force on minorities surmount doubts about its purpose and power.*

50 **Ink prices tumble** *Remember when the Iraqi invasion triggered cost increases for ink, because of its petroleum content? Well, that's history.*

59 **Industry options** *ANPA and the Newspaper Advertising Bureau are studying ways to serve newspapers more effectively and more efficiently.*

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(Cover photo by Lee Salsbery; puppet by David Wisniewski.)

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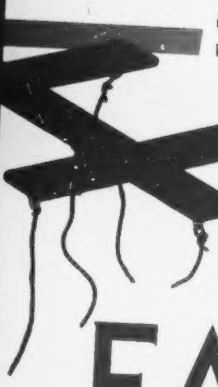


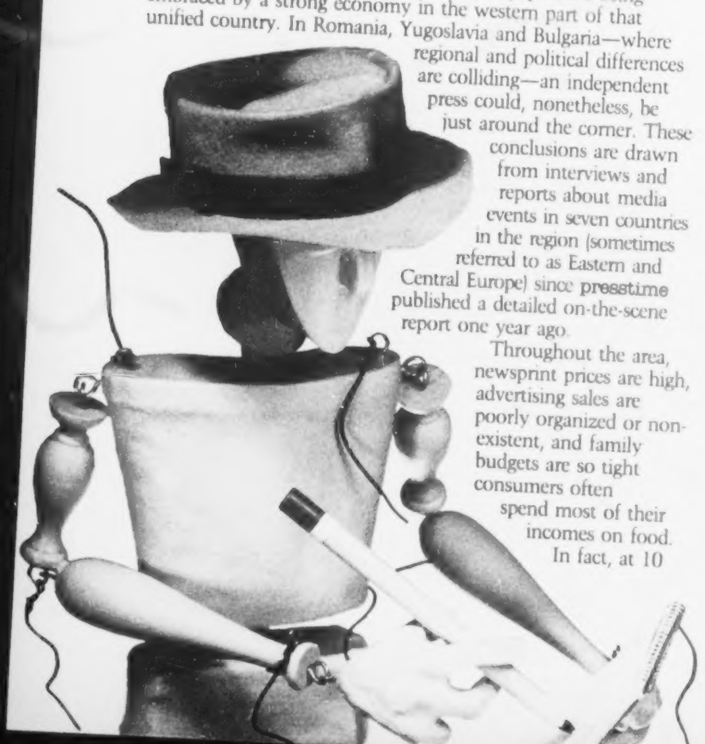
FREEDOM TESTS THE PRESS IN EASTERN EUROPE

BY CYNTHIA F. WILSON

Press freedom is spreading rapidly in Eastern Europe, but newspapers are still largely dependent on their governments for printing and distribution. Media observers warn that the journey to true independence could be long—and the road is rockier in some countries than in others.

Newspapers in Hungary, Poland and the Czech and Slovak Federal Republic are among many enterprises starved of cash by the economic switch from communism to capitalism. In contrast, eastern Germany's fledgling newspapers are being embraced by a strong economy in the western part of that unified country. In Romania, Yugoslavia and Bulgaria—where regional and political differences are colliding—an independent press could, nonetheless, be just around the corner. These conclusions are drawn from interviews and reports about media events in seven countries in the region (sometimes referred to as Eastern and Central Europe) since **presstime** published a detailed on-the-scene report one year ago.

Throughout the area, newsprint prices are high, advertising sales are poorly organized or non-existent, and family budgets are so tight consumers often spend most of their incomes on food. In fact, at 10 cents to 15 cents per copy, the region's dailies seem affordable by U.S. standards. But the comparison is faulty, considering that average monthly salaries are less than one-tenth of those in the United States (see chart, p. 23). And readers are so starved for news that they don't readily accept advertising, says Piotr Pacewicz, chief editor/political development for Warsaw's Gazeta Wyborcza, Poland's largest newspaper. "We get letters and phone calls, saying 'We want news (and not ads),' " he explains.



Everette E. Dennis, executive director of the Gannett Foundation Media Center, describes the region's population as "a highly literate society . . . groping for modernity."

Here are a few of the many obstacles that crusading journalists are overcoming with sheer will to serve those readers:

- When Polish newsprint prices skyrocketed last year, paper and ink accounted for 70 percent to 80 percent of the total operational costs for newly independent publications. Yet there were few business failures. "It is one of the mysteries," one editor told Ronald Koven, the World Press Freedom Committee's Paris-based representative. "Obviously, our enterprises just cheat. They hunker down," the editor said, adding: "Instead of firing people, they put them on vacation at half salary and take their time paying their bills. Things can continue like that for another six months or a year, but sooner or later, the jig will be up."
- Start-up newspapers must struggle to gain the use of government-controlled printing facilities and distribution systems. "Our newspaper is fully dependent on the government for all printing and distribution," says Petre Bacanu, director of administration and editor of Romania Libera, a leading independent newspaper in Bucharest. "Each evening we deliver manually typed copy to the government printing office, as does every other publication in Romania. We are then reliant on the good graces of the government as to whether our newspaper is printed, how many copies are printed and to whom they are distributed."
- In Poland, Czechoslovakia and Hungary, "there has been something of a biting dialogue between parts of the independent media and the newly elected government," says Aidan White, general secretary of the International Federation of Journalists.

Eastern Europe "is the only region of the world where journalism is redefining itself," comments Dennis of the Gannett Foundation Media Center. "The legal and constitutional system has changed, the economy is changing and foreign investment coming in, the roles of journalists have changed, the definition of news has changed, the nature of education is radically changing, the development of technology in newsrooms is opening as well."

The process will take decades, adds ANPA Senior Vice President W. Terry Maguire, who oversees the Association's international activities. "The countries are only beginning to create their infrastructure, both legally and from the standpoint of development of market economies—not to mention the basic necessities of equipment for printing and mechanisms to allow newspaper distribution. . . . The process, moreover, is likely to suffer significant reversals as it inevitably moves forward," he says.

As Adam Michnik, editor of Gazeta Wyborcza, wrote in The New Republic, "One thing seems common to all these countries: Dictatorship has been defeated and freedom has won, yet the victory of freedom has not yet meant the triumph of democracy.

"Democracy is freedom institutionalized, freedom submitted to the limits of the law, freedom functioning as an object of compromise between the major political forces on the scene. We have freedom, but we still have not achieved the democratic order."

Wilson, ANPA manager/public information, is a former **presstime** *staff writer. Also contributing to this Special Report was Elzbieta Krzanowski of the ANPA Legal and Government Affairs Department.*

PART I: Each Troubled In Its Own Way

western Germany
Berlin
eastern Germany
Poland
Warsaw
U.S.S.R.
Prague
Czechoslovakia
Austria
Budapest
Hungary
Romania
Belgrade
Yugoslavia
Bucharest
Bulgaria
Sofia
Greece
Turkey
Albania

HUNGARY

After massive buyouts by foreign investors, publishers face continued government control of distribution.

Foreign investors now own 75 percent of Hungary's media—including major shares in three of the four largest dailies and a number of provincial newspapers. The one-year transition to foreign ownership has caused alarm in Parliament.

"The prime minister said he wanted a law restricting ownership of a national newspaper to one per customer," reports Koven of the World Press Freedom Committee. "If so," he predicts, "there will be one for each [foreign investor] and none for the Hungarians."

New owners include Australian-American Rupert Murdoch, Czech native Robert Maxwell of Britain, and the Axel Springer and Bertelsmann groups of Germany.

Murdoch, who owns a 50-percent stake in the lively Budapest weekly Reform, helped it launch an afternoon daily, Mai Nap. In response, a Hungarian group founded a daily tabloid, Kurir, and placed it in direct competition with Mai Nap. Murdoch answered by buying a 40-percent share of the afternoon paper Esti Hirlap from the Budapest City Council. Murdoch also owns 49 percent of the former government daily Magyar Hirlap in Budapest.

Prompted by Springer's controversial takeover of seven regional Socialist Workers' newspapers, a parliamentary committee issued a warning that "all foreign capital strives for exclusive control. In the long run, it strives towards monopoly."

The committee called on the government to take control of the media privatizing process. The government now seems to be using the invitation for its own purpose. Last June, for instance, the government put a stop to the planned sale of a leading daily Budapest newspaper, Magyar Nemzet, to the Stockholm daily Dagens Nyheter; government leaders accused the paper of being hostile to the Hungarian government. Instead, the government allowed the paper's sale to Hersant, a French media conglomerate.

"There was a vacuum after the Communists left," says Magyar Nemzet reporter Eniko Tegyi. "There wasn't a real owner. We tried to choose a Swedish company, because we liked the profile of their independent paper. But the government interfered."

One of the few remaining Hungarian newspapers without foreign ownership is Nepszabadsag. Now that its Communist ties have been severed, the Budapest daily has maintained its circulation lead by offering aggressive reporting on the center-right government and the liberal opposition.

Koven says that by mid-1990, virtually all Hungarian papers were in financial turmoil, except Reform. Vilag, a major independent weekly, went out of business. Datum, a daily started in April 1989, also had to close, largely because of a running battle with the Hungarian Post Office, Magyar Posta.

The post office's monopoly extends to all public points of distribution—even newsstands. For example, it has set the cost of distributing Budapest's Magyar Narancs, a leading weekly independent paper for young people, at 30 percent of the 31-cent newsstand price. The paper has no choice but to pay the up-front fee before distribution, regardless of whether its 10,000 copies are actually distributed.

"Most newspaper publishers in Budapest transport pages to a central printing area and have no control thereafter," reports Joseph B. Forsee, executive director of the

W. Terry Maguire

Elderly Hungarians eagerly consume every line of news in their papers.

W. Terry Maguire

Foreign publications are among those for sale at a kiosk in Budapest.

International Circulation Managers Association. "Several different titles are printed simultaneously. At the end of the conveyor belt are waiting, not the trucks of the newspaper company but those of the Hungarian post office. Magyar Posta controls all subscriber lists, does the billing for renewals and also controls the single-copy process. The delivery situation is similar for newspapers printed outside of Budapest."

POLAND

Issues include newsprint pricing and availability, readers' acceptance of advertising, and professional staffing.

Following Solidarity leader Lech Walesa's Dec. 9 election as Poland's first popularly chosen president, journalists grew "a little bit afraid," says reporter Krystyna Lubelska of the Warsaw daily Zycie Warszawy. Lubelska, who was a Times Mirror fellow at the Los Angeles Times last fall, notes that during his campaign, "Walesa said whoever had the power also had the press. The Communists controlled us with the same rule."

Walesa has been in office for more than two months. There is no evidence that he will control the media, although his party owns shares in two newspapers. "It's difficult to imagine Walesa deciding not to sell the newspapers. But a lot of people are worried," says Lubelska. Her paper is among those up for sale.

Last November, Jerzy Drygalski, the official in charge of privatizing Poland's state-owned newspaper monopoly, R.S.W., was promoted after having distributed more than 70 papers to employees. They are running them as cooperatives [**presstime**, Dec. 1990, p. 42]. Drygalski's successor came from within the ranks of the R.S.W. Liquidation Commission, and indications are that liquidation will proceed.

Koven says Poles need to move beyond shellshock and start thinking of solutions to long-term problems such as privatizing and modernizing their paper industry—perhaps creating a newsprint cooperative jointly owned by the Polish press along the lines of the Associated Press news cooperative.

But uncertainty persists. Some small local publishers, feeling the economic pinch, have even begun suggesting that the R.S.W. monopoly should not be further broken up.

Gazeta Wyborcza's Pacewicz predicts "at least half" of the current papers in Poland will close. "We hope to have four or five dailies at the national level, with many local editions," he says.

He reports that his paper has been in the black since August and has developed an advertising base covering 40 percent of costs. It is Poland's first newspaper to use desktop-publishing technology.

Another healthy new conservative daily, Krakow's Czas, covers southeastern Poland. Its stated goal is to "reflect Western standards of free press."

The arrival of foreign investors will help Polish papers achieve such an objective. Hersant, the French conglomerate, has acquired a 49-percent interest in the Warsaw-based national daily Rzeczpospolita, a former Communist Party mouthpiece. New provincial dailies include Gazeta Gdanska, launched with Swedish backing, and Orkla of Wroclaw, started with Norwegian money.

Pacewicz says that while newspapers in Poland are overstaffed, there is a shortage of true professionals. While studying in the United States as a guest of the German Marshall Fund recently, Pacewicz was surprised by the atmosphere at The Washington Post, where he saw little communication between reporters and editors. "It's very effective and factorylike, but they don't have the possibility to quarrel," he says. "At Gazeta, we have a lot of quarrels. It's chaotic, and we work harder."

CZECH AND SLOVAK FEDERAL REPUBLIC

Despite a highly literate society, few independent papers have been founded. Most are organs of political parties.

"Czechoslovakia makes a newspaperman feel good," wrote Publisher David Lawrence Jr. of The Miami Herald upon his return from an American Society of Newspaper Editors' tour. "The people, starved for freedom and news for a generation, love their newspapers. They rush to buy them. They read them in store windows."

Explaining his peoples' hunger for

J. Maciej Szymczak

Retired editor Watson S. Sims (third from right), a member of a Rutgers University team, leads a news workshop underwritten by the United States Information Agency in Lodz, Poland.

Newspapers—or Bread?

Comparative Average Prices in Selected Countries

Country	Newspapers	Gasoline	Bread	Average Salaries
Czech and Slovak Federal Republic *$1 = 24 kc (koruna)*	10 cents	$2.85/gallon	11 cents/pound	$135/month
Hungary *$1 = 60 ft (forint)*	15 cents	$3.50/gallon	11 cents/pound	$150/month
Poland *$1 = 9,500 zl (zloty)*	10 cents	$1.60/gallon	7 cents/pound	$105/month
United States	30 cents	$1.43/gallon	70 cents/pound	$1,600/month

Source: Elzbieta Krzanowski, ANPA

news, Czech News Agency reporter Stanislav Mundil says, "The number of dailies and magazines only in Missouri is more or less the same as all of Czechoslovakia."

Mundil, spending a year at the University of Missouri's School of Journalism in a U.S. Information Agency program, is amazed by the scale of publishing activity in North America.

Although the number of independent newspapers in Czechoslovakia is small, it is growing, and there is movement toward greater press freedom. In June 1990, an important new newspaper, Prague's Lidove noviny, formally cut its ties with President Vaclav Havel's Civic Forum by transferring ownership to a new foundation. And at Svobodne slovo, Prague journalists went on strike demanding more independence from the Socialist Party.

While a constitutional provision on free expression is being debated by government officials, publishers still must register with the Interior Ministry regarding their intended readership and newspaper content. But there is no practical censorship by the government of Havel, an important literary figure.

Pavel Krasa, head of the 5,000-member association of Czech and Moravian journalists, told Jim Kelly, publisher of the Newberg (Ore.) Graphic, that his professional peers have been waiting for more than half a century to regain the privilege of a free press. The conversation occurred during a National Newspaper Association tour in which Kelly participated.

Old Prague building houses Svobodne slovo.

W. Terry Maguire

"The political changes that have spread over Eastern Europe this year are reviving some of the best traditions of Czech journalism," Krasa told Kelly.

Long before the "velvet revolution" in 1989, Czech journalists had been preparing a new generation of writers to replace Communists, Krasa said, adding, "We are trying to give positions of leadership to younger journalists and help them understand the spirit of the new times—and help guard them against shaming campaigns against our new system."

Young people play an important role. For example, although the most prominent new paper after Lidove noviny is the weekly Respekt, also published in Prague, it is followed by Studentske listy, edited by students at Charles University in Prague, which has the nation's only journalism school.

Unfortunately, in the aftermath of a move at the beginning of this year to sell newsprint at the world market price, "there will be a lot of trouble for a lot of (Czech) papers," Koven says. The government still allocates the scarce and expensive commodity. In fact, paper shortages caused Lidove noviny to cut its pressrun from 380,000 in January 1990 to 270,000 nine months later. Editors there estimate that if sufficient paper were available, they could print and sell 500,000 copies daily.

Also, whereas under communism the state owned most printing plants, it's now unclear who will own them in the new order. There is talk of transforming some into joint stock companies.

To date, Lidove noviny has no press. Articles are typed on word processors and set by Linotype machine. "The technical equipment of the only state news agency in Czechoslovakia cannot compete with, say, the Columbia Missourian," observes Mundil.

"We still typeset nearly all of our dailies by the hot-metal method," says Jaroslav Veis, chief editorial writer of Lidove noviny. "The only relatively modern printing house in Prague is the one previously owned by the Communist Party, and on the same machine there are printed the Communists' Rude pravo, Civic Forum's daily Obcansky denik, independent Lidove noviny, and a couple of other dailies and weeklies."

Another problem is the paucity of advertising, according to a Gannett Foundation task force that visited the region and published a report. Private enterprise was erased by the Communist regime, the task force noted, and the incentive for new enterprises to advertise is low because there's so little competition in the marketplace.

GERMANY

Virtually all eastern newspapers are partly owned by western interests. Propaganda has given way to local news.

The opening of the Berlin Wall and German unification has created a struggle for the loyalty of newspaper readers in eastern Germany.

When state financial support of the eastern media stopped, some papers closed. Others experienced circulation declines as newspapers from prosperous western Germany became widely available. There are now an estimated 300 newspapers and magazines from the western section scrambling for eastern readers.

The decline in the circulation of the national press has been dramatic. According to a government media registry, nine titles distributed throughout the former German Democratic Republic lost 2.6-million subscribers in the period between December 1989 and September 1990—a drop of 71.9 percent.

Jim Kelly, Newberg (Ore.) Graphic

At Prague's Wenceslas Square, candles are lit for Czechs and Slovaks who resisted communism.

Circulation has not suffered so greatly as local newspapers have changed hands, with the registry's figures showing a decrease of 14 percent. Still, the 17 million inhabitants of eastern Germany are served by five regional papers with a total circulation of less than 500,000.

"A steamroller is moving very fast to buy out and give terrific competition (in eastern Germany)," says Robert M. Shaw, manager emeritus of the Minnesota Newspaper Foundation.

Among the buyouts, Springer bought Berlin's Der Morgen and may be trying to build the paper as a national daily. It is also distributing its popular Berliner Morgenpost in eastern provinces.

Shaw says marketing tactics used by publishers from western Germany—such as giving gifts to subscribers—make it difficult for competitors.

The first issue of the largest independent weekly, Die Andere Zeitung, also known as DAZ, came out in Leipzig on Feb. 1, 1990. "Only a few weeks later the West German newspapers began moving in," Editor Jan Peter told The New York Times. "We figured we had six to seven weeks to get well-enough established with readers here so that we wouldn't disappear once the West German papers came in. And we made it." The paper now has a pressrun of 40,000.

Another emerging pattern is joint ventures.

Western Germany's magazine publishing giant, Gruner & Jahr, and Maxwell Communications have jointly purchased the Communist Party's Berliner Verlag publishing house. Its titles include Neues Deutschland, the old party organ; Berliner Zeitung, the leading paper in what was East Berlin; and BZ am Abend, its afternoon paper.

General Manager Juergen Kuhner of the Berlin daily Die Tageszeitung told Oregon publisher Kelly that his joint venture was a "guerrilla action." When the wall opened, Kuhner traveled to West Berlin and formed a partnership with an unnamed, conservative newspaper for equipment, supplies and training. "All the major West Berlin newspapers have joint agreements set up with newspapers in East Berlin," Kuhner reported.

The eastern Germans should have little trouble adapting to a free press. "What's necessary, in order to have newspapers flourish in terms of the style of newspapers we know," says Kelly, "is they're going to need to have local people that learn the business side as well. They have things they want to say, but the market skills and the free-enterprise side of newspapers will be a challenge."

That's particularly true while the economy of eastern Germany remains in a shambles. Third-quarter gross national product in the former GDR dropped 30 percent from 1989. Unemployment is 25 percent. Last summer, one issue of the 24-page DAZ had just one paid quarter-page ad. "We need $500,000 to save this unique paper," pleaded a two-column ad for DAZ in the International Herald Tribune and The New York Times in August 1990.

The transition to a free-market economy is slow. "You still have many or most of the major enterprises that are government-owned," says Leo Bogart, adjunct professor of marketing at New York University and former executive vice president of the Newspaper Advertising Bureau. "Until they're privatized, you're not going to see much advertising."

DAZ Editor Peter told The New York Times, "We need more international advertising, maybe from British and American companies that want to do business here." However, Bogart says the papers may not be technically capable of

Newberg Graphic Publisher Kelly stands in front of old East German flag.

Jim Kelly

U.S. newspaper executives tour Die Tageszeitung, a newly launched Berlin joint venture, and are briefed by fledgling journalist Kuhner (holding copies).

dealing with such ads. When a Hamburg advertising executive recently wanted to place color Coca-Cola ads in the eastern German press, Bogart says the response was, "Yes, we would be happy to provide you with color on Thursday—as long as it's blue."

YUGOSLAVIA

Regional rivalries lead to bitter conflict over who will control the press. Some independent publications emerge.

In Yugoslavia, old ethnic emotions are threatening to tear the state apart. The northern republics of Croatia and Slovenia are threatening to secede. Serbian authorities have abolished the Kosovo Parliament and shut down the main Albanian-language newspaper.

Last April 7, on the initiative of journalists from the independent daily Borba, a Yugoslav Union of Press Professionals was founded. Its slogan is: "Professionals for independent and honest journalism." However, the union mustered little power and "practically doesn't exist," according to Marjan Jurleka, editor-in-chief of Start magazine in Zagreb.

Even with restoration of multiparty parlimentary elections, the state-owned media are still under the factual, though not legal, control of the Communist Party.

Several Yugoslav newspapers have declared their "independence." Orient Express, the first privately owned daily newspaper in Yugoslavia since World War II, was launched in November. It is a regional newspaper published in Sarajevo [**presstime**, Dec. 1990, p. 42].

Two more independent newspapers are doing well in Croatia: ST, published in Split, and Zagreb's Azur, a biweekly. Yet Yugoslavia's first national daily, Nezavine Novine of Belgrade, went bankrupt within a few months due to problems with government control of distribution.

Some independent newspaper managers say they would welcome foreign investment, although it is not currently clear who owns what. A number of international publishers have had preliminary discussions with their Yugoslav counterparts. Magazine editor Jurleka reports that Maxwell recently expressed interest in buying Vjesnik, an influential independent daily in Belgrade.

ROMANIA

Various governmental strategies have been employed to slow development of a free press in a troubled land.

New Romanian publications are springing up like mushrooms, only to disappear rapidly.

The political environment "could turn very bad from a press freedom point of view," warns Koven. The largest impediment is government censorship through control of newspaper production and distribution systems.

The journalists' union there has called on the government to reverse an October 1990 decision making independent publications part of a state-owned National Publishing House that controls distribution. After meeting editors of several newspapers, Media Minister Adrian Sirbu said the government's position would not change. Fortunately, as of mid-February the decision to require state distribution of all publications had not been enforced.

A press law recently introduced in Parliament could provide another roadblock. The proposed code of ethics would require that all information be verified and would allow sanctioning of journalists for revealing sources.

In response to repression, some journalists at Bucharest's Romania Libera, the leading independent newspaper, have joined the founders of Romania's first grass-roots opposition, Civic Alliance. The alliance had an estimated 100,000 members by the end of 1990.

About 120 reporters own and operate Romania Libera. Since the overthrow of President Nicolae Ceausescu in December 1989, they created a profitable enterprise publishing 1.5-million copies a day before the government cut distribution.

BULGARIA

Newspapers are proliferating but suffer from a lack of money, newsprint and equipment.

The National Assembly and the country are polarized between the Socialists and the Union Democratic Forces.

Nearly all publishing houses are financed by the state. However, a new one, Missal, was established last year by the UDF. And, as of early February, a new coalition government had deregulated the distribution of newsprint to allow the market to determine the price. The government has also indicated that it will allow joint media ventures with foreign partners.

By circulation, the two biggest newspapers are Sofia's Douma, the Socialist Party daily, and the UDF's Democratsia. Douma has a circulation almost twice that of Democratsia.

Reporter 7, owned by journalists, is the first independent newspaper. Another new private paper is 168 Hours.

A major weekly, Podkrepa, is published by the right-wing labor union that brought down a Socialist government. "Given the implications, I wouldn't be surprised if it became a daily," Koven says.

The number of Bulgarian periodicals has proliferated dramatically. In 1989-90, it went from about 250 to about 1,500.

Koven reports that the papers are appealing for advertising paid in hard currency that can be used to buy newsprint in Austria or Sweden.

PART II: There Are Various Ways To Help

Newly free journalists in Eastern European countries have asked colleagues in the United States to help them build a strong, free press by promoting their efforts to privatize government printing monopolies, by training business managers, and by providing information about new technologies and journalism education.

Scores of groups worldwide have answered the call with publications, training programs and advice, even as they face tough times of their own.

In 1990, at least 80 U.S. media companies, professional groups, universities and foundations launched aid projects ranging from joint-venture publications and exchanges to technical seminars and gift subscriptions to U.S. publications.

Significantly, the war in the Persian Gulf is not affecting media assistance, according to George A. Krimsky, executive director at the Center for Foreign Journalists in Reston, Va.

"Obviously [Secretary of State] Jim Baker and company are not spending as much time on Eastern Europe as they would," Krimsky says. "And news coverage is totally preoccupied with the Gulf. But the media assistance campaign is immune from all that because it's on a different plane. There is not a direct link between media resources and the Gulf crisis.

"There's even more reason to look toward Eastern Europe now," Krimsky continues. "There are [now] absolutely no media assistance opportunities in the Middle East." But Krimsky warns that if the war "goes on indefinitely and has an accretion effect," it will influence all overseas activity.

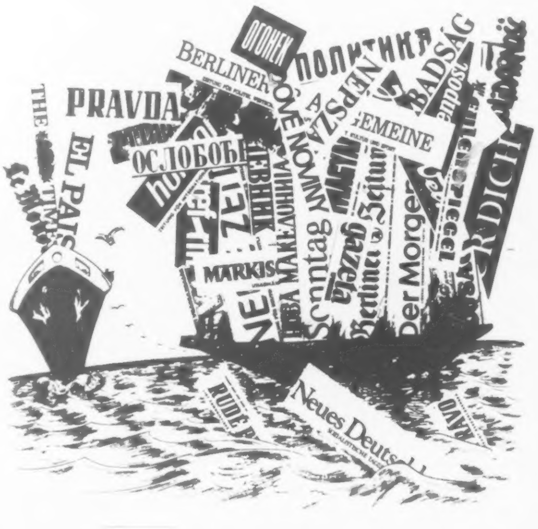
In addition, anxiety has increased throughout Europe because of the "unraveling" in the Soviet Union and new pressure in the Baltic states, Krimsky notes. "Nobody wants to see all the gains of '89 and '90 go down the drain over the Baltics," he says. "But the Soviets are far too distracted to turn their attention to Central and Eastern Europe. Their absolute concern is economic and political survival within the Soviet Union."

ANPA Senior Vice President W. Terry Maguire says aid from U.S. newspapers to counterparts in Eastern Europe is "an investment in the evolving global information economy. . . . There is much for Americans to learn in seeing how other people publish their newspapers."

Everette E. Dennis, executive director of the Gannett Foundation Media Center, who has studied the region, says there are practical ways publishers can help—individually and collectively.

An argument could be made that newspapers all over the world need help to become—or remain—independent, but Maguire and Dennis emphasize that the press in Eastern Europe is especially worthy. "It's the only region of the world where government after government fell over a short period of time, and an entire ideology almost overnight turned from one mode of operation to another," Dennis says, noting that a similar outpouring of media aid occurred in West Germany when the Nazi press was booted out after World War II.

He expects monetary "gifts" to the region will flow more freely from foreign investment groups than from U.S. newspaper professionals. Yet he says the most important need in Eastern Europe is management expertise—and that's readily available from U.S. media companies.



Schopf, Der Standard, Vienna

Providing training for foreign journalists "expanded our horizons," says Geoffrey F.X. O'Connell, art editor at The Advocate in Stamford, Conn. Last fall he served as a supervisor for Times Mirror fellow Eniko Tegyi, a reporter for the Budapest daily Magyar Nemzet. Tegyi says she concluded that it is "more prestigious and elevating" to be a journalist in Hungary, although Hungarians "have a lot to learn" about objective reporting.

Coming up with the wherewithal to make training programs work can be a daunting task. The Minnesota Newspaper Foundation has, for instance, considered inviting directors of six new newspaper associations in eastern Germany to be weeklong guests of a Minnesota publisher. MNF hasn't been able to raise enough money, however.

The manager emeritus of the organization, Robert M. Shaw, says, "We're frustrated—they want training and we have it to give. It's just that by its nature, it would be an expensive matter."

Lothar Popp of the Berliner Zeitung, a representative of a German newspaper association, wrote Shaw: "I know there's not much you can do to help me, but I'm very touched that you would take the time to offer to help. That in itself is help."

The Ontario-based group Friends of Lidove noviny obtained money from Canadian publishers to purchase computers and equipment for that Prague newspaper. "We got support from every major newspaper publishing group in Canada but no support at all from any American," says Ernest Zucker, director of special projects. "We have purchased eight computers so far but need to purchase another 22." He says Lidove noviny also is looking for a joint-venture partner to establish a state-of-the-art plant.

"People are asking for assistance," says Dennis. "They've gone from a Marxist-Leninist approach to [the] press to one that is experimenting with freedom Western style. By their choice, we have an enormous opportunity and a small window of time."

Western institutions can help in myriad ways. Media companies can act with "enlightened self-interest" by arranging joint ventures. Professional groups can offer business assessment and training. Universities can help develop education programs, design curricula and draft textbooks. Foundations may create sister institutions and media, according to a list compiled by the Gannett Foundation.

Such suggestions have already fostered the following initiatives:

Sharing Information, Equipment

- Along with identifying resources to share with Eastern Europe, ANPA is following regional developments to provide an understanding about the state of newspapers there. ANPA representatives met with Polish officials to discuss the privatization of the state press monopoly, offered complimentary **presstime** subscriptions to newspaper people in several Eastern European countries, set up a database of people and newspapers there, coordinated with the World Press Freedom Committee on assessing the viability of offering newspaper equipment in the region, and cooperated with the International Federation of Journalists in analyzing proposed press laws. In anticipation of more cooperative projects, the Association is recruiting North American newspaper people willing to help. Members with bilingual skills are urged to contact Maguire at The Newspaper Center in Reston. In addition, ANPA Foundation is encouraging donations of subscriptions to newspapers in the region.
- The World Press Freedom Committee has produced a 160-page *Handbook for Journalists of Central and Eastern Europe* and has funded a variety of media projects. In October, more than 80 organizations were represented at the WPFC's Voices of Freedom '90 conference in Washington, D.C., which focused on coordinating efforts to aid the media in Eastern Europe [**presstime**, Nov. 1990, p. 49]. The organization also serves as a clearinghouse on both needs and offers of help including donations of old equipment.
- The Gannett Foundation published a 101-page report, *Emerging Voices: East European Media in Transition*, following a six-week tour by foundation staff members in Czechoslovakia, Hungary, Poland and Yugoslavia.
- The Association for Education in Journalism and Mass Communication has formed a committee to discuss how U.S. journalism schools can help democratizing nations, focusing on Eastern Europe. Ray E. Hiebert, a professor at the University of Maryland College of Journalism, is chairman.
- A collection of studies, *The Media Revolution in Eastern and Central Europe*, will soon be published by The James M. Cox Jr. Center for International Mass Communication at the University of Georgia.
- The National Institute for Advanced Reporting at Indiana University is providing newspapers with information about new technologies. "Before we plunder through Eastern Europe sprinkling computers through newsrooms, we need to look at what equipment is best and most useful to them," says Sherry Ricchiardi, a director of the institute.
- Lidove noviny has received $160,000 from the non-profit National Endowment for Democracy and a subsidiary of Apple Computer based in Sweden. Apple reportedly has offered to equip the newspaper in exchange for help entering the Czech market. The endowment also made a grant of $248,500 to provide newsprint for the Bulgarian paper Democratsia.
- Freedom House of New York City administered a 1990 grant of $350,000 to transport a printing press from the Netherlands to Bucharest. The newspaper Romania Libera is waiting for government approval to purchase a site for the press.

Even Smaller Papers Can Link Up With Their Counterparts in Eastern Europe

With the economy pinching the ability of major U.S. newspapers to help their fledgling brethren in Eastern Europe, there might be a feeling among smaller U.S. papers that they must sit out the game entirely. But that's not true.

When a group of Lithuanian journalists visited the United States recently to learn the ways of an independent press, they pointedly included in their itinerary a small paper, the Manhattan (Kan.) Mercury. And now, having returned to their Baltic homeland, they are continuing to correspond with Mercury Publisher and Editor Edward L. Seaton.

Among those seeking help for Eastern European papers, there is wide recognition that the U.S. economy is going to present constraints—but attention can occasionally be as important as capital, says Tewfik Mishlawi, director of training at the Center for Foreign Journalists in Reston, Va. "Don't get me wrong, capital is a critical concern right now. But, within limits, small papers without a lot to spend can help."

"Whatever you do, don't even think of sending somebody over—not even in a conventional editorial exchange—until you've explored some much more modest steps that can be effective," says ANPA Senior Vice President W. Terry Maguire.

Mishlawi suggests talking first with his organization, ANPA, the World Press Freedom Committee or the Gannett Center for Media Studies—looking in particular for a foreign newspaper that would be a good match.

One potential area of common interest for the United States' intensely local small newspapers: In eastern Germany, a number of propaganda organs, their marionette strings cut from party support, are trying to keep their heads above water in a free market by emphasizing local news.

ANPA's Maguire suggests identifying someone on the newspaper's staff who speaks an Eastern European language to help overcome language barriers.

Both he and Mishlawi suggest faxing general offers of help to four or five likely companion papers, and, depending on the response, going from there—by fax. In fact, this device, more than airline tickets, telephones or even the mail, appears especially crucial—though steps such as regularly mailing copies of the paper, occasionally calling and perhaps eventually sending staffers abroad are worth considering, they say.

Perhaps the most productive phase of a relationship will involve exchanging articles and coordinating feature projects. The fax can serve adequately in this phase, also, although phone lines are sometimes unreliable.

"Just imagine," says Maguire, "the faxes you can exchange for $2,000 to $3,000" –and that's a conservative estimate of what it would cost to send someone over there. *—Jack Kramer*

Some See Business Opportunities in the Region

As European news organizations continue to strike one business deal after another with emerging Eastern European media, a question arises: Why aren't U.S. newspapers following suit, especially given the squeeze the recession is putting on the amount of donated help?

"There is clearly something to be said for a business relationship," says David Mazzarella, president of USA Today International. He recently entered into a business deal to help produce a 16-page, youth-oriented bimonthly newspaper in Romania.

Potential deals abound. In Poland alone, the government's privatization committee compiles biweekly lists—available from Elzbieta Krzanowski at ANPA—of properties either for sale or seeking joint ventures.

It is the view of some people, like Gannett Foundation Chairman Allen H. Neuharth, that working business partnerships are what the struggling Eastern European press needs much more than charity. (See essay, p. 33.) While acknowledging that altruistic assistance is helpful, they say the newly independent newspapers must attract investors if they are to survive in a free-enterprise system.

Unfortunately, obstacles are as abundant as potential deals.

One impediment is that Eastern Europe's newspapers collect revenues in nearly worthless currencies. Another obstacle, notes ANPA Senior Vice President W. Terry Maguire, is language.

And Tewfik Mishlawi, director of training at the Center For Foreign Journalists in Reston, Va., which has been extensively involved in organizing aid, points out that many Eastern European newspapers either don't want—or they fear—direct foreign investment.

Mishlawi points to Hungary as a nation especially nervous about foreign participation. He says, though, that what Hungary is leery of is not foreign participation as such but monopoly participation by outsiders. This has put heat on some aggressively investing German companies—and it keeps the door ajar for slow-moving U.S. publishers, whose caution he sees as justified while the Eastern European press comes to terms with its unease.

For Neuharth and others, such misgivings are misbegotten. However understandable the unease amid today's turmoil, they say the fact remains that in a capitalist world an independent press simply has to have capital.

—Jack Kramer

Helping to Train

- An exchange program has been organized by The Times Mirror Center for The People and The Press in Washington, D.C. The program brings reporters and publishing executives to the United States from Czechoslovakia, Poland and Hungary for fellowships lasting up to six months. The journalists are assigned to regular reporting beats and management duties at Times Mirror newspapers. Donald Kellermann, center director, says other countries in Eastern Europe will be added to the program in the fall.
- A delegation representing the American Society of Newspaper Editors recently visited Poland, Germany, Hungary and Czechoslovakia to meet with journalists and politicians and write articles for U.S. papers. While there, the group distributed a list of more than 100 ASNE members who have volunteered to advise Eastern European newspaper personnel.
- The Center for Foreign Journalists conducted a six-month work-study program for Polish journalists with U.S. Information Agency funds. In 1990, eight journalists attended discussions in Washington, D.C., and worked at several U.S. papers. The center also placed 23 Eastern European journalists in internships at U.S. papers.
- The International Newspaper Marketing Association is establishing internships for marketers in the region.
- The WPFC co-sponsored with the Polish Journalist Association a newspaper operations course in Warsaw last August. Topics included advertising pricing, telephone solicitation of classified ads, carrier systems, budgeting and staff structure.
- With federal funds, Jerome Aumente, a professor and director of the Journalism Resources Institute at Rutgers University, led a team of media experts who conducted workshops for print and broadcast journalists throughout Poland last spring. Topics included interviewing techniques, setting up newsrooms and covering local elections. The Asbury Park Press of Neptune, N.J., provided a videotape about deadline reporting. The Dow Jones Newspaper Fund sent copies of its annual scholarship guide. USA Today donated a special insert showing how the paper is assembled. ANPA Foundation provided "Speaking of a Free Press," a booklet of important quotes dealing with press freedom. Aumente reports that young journalists in Konin translated the booklet into Polish. "They're planning to circulate several thousand copies to colleagues in Poland," he says.
- The International Media Fund, which is U.S. government-financed, provides money, technical help and training to journalists in the hope of fostering freedom of speech [**presstime**, Oct. 1990, p. 40]. So far, close to $5.5 million has been budgeted for such services. University of Maryland journalism professor Hiebert, at the request of the fund, is developing a proposal for a U.S.-backed school of journalism in Budapest.
- The Office of the President's Eastern European Initiative, operated by USIA, also is coordinating training for Eastern European media. In addition, the State Department allocated $10,000 to the new Central and Eastern Europe Centre for Communication in Warsaw.

Many international groups are also actively involved in assisting the press in Eastern Europe.

For example, the Paris-based International Federation of Newspaper Publishers, supported by ANPA and the WPFC, organized a management seminar in Budapest last September. About 80 Hungarian executives attended workshops on management, distribution, advertising, promotion and marketing. The International Circulation Managers Association provided materials, and Executive Director Joseph B. Forsee says special interest was given to pictures of newspaper racks—an unheard-of marketing tool there.

Among other organizations that have offered training assistance are the International Press Institute, Reuters and UNESCO.

A lot is going on, yet press-freedom advocates say much more needs to be done to strengthen and stabilize the newly independent editorial voices of Eastern Europe.

As Dana Bullen, executive director of the WPFC, puts it, when it comes to providing this kind of help, "duplication isn't necessarily a sin." ☐

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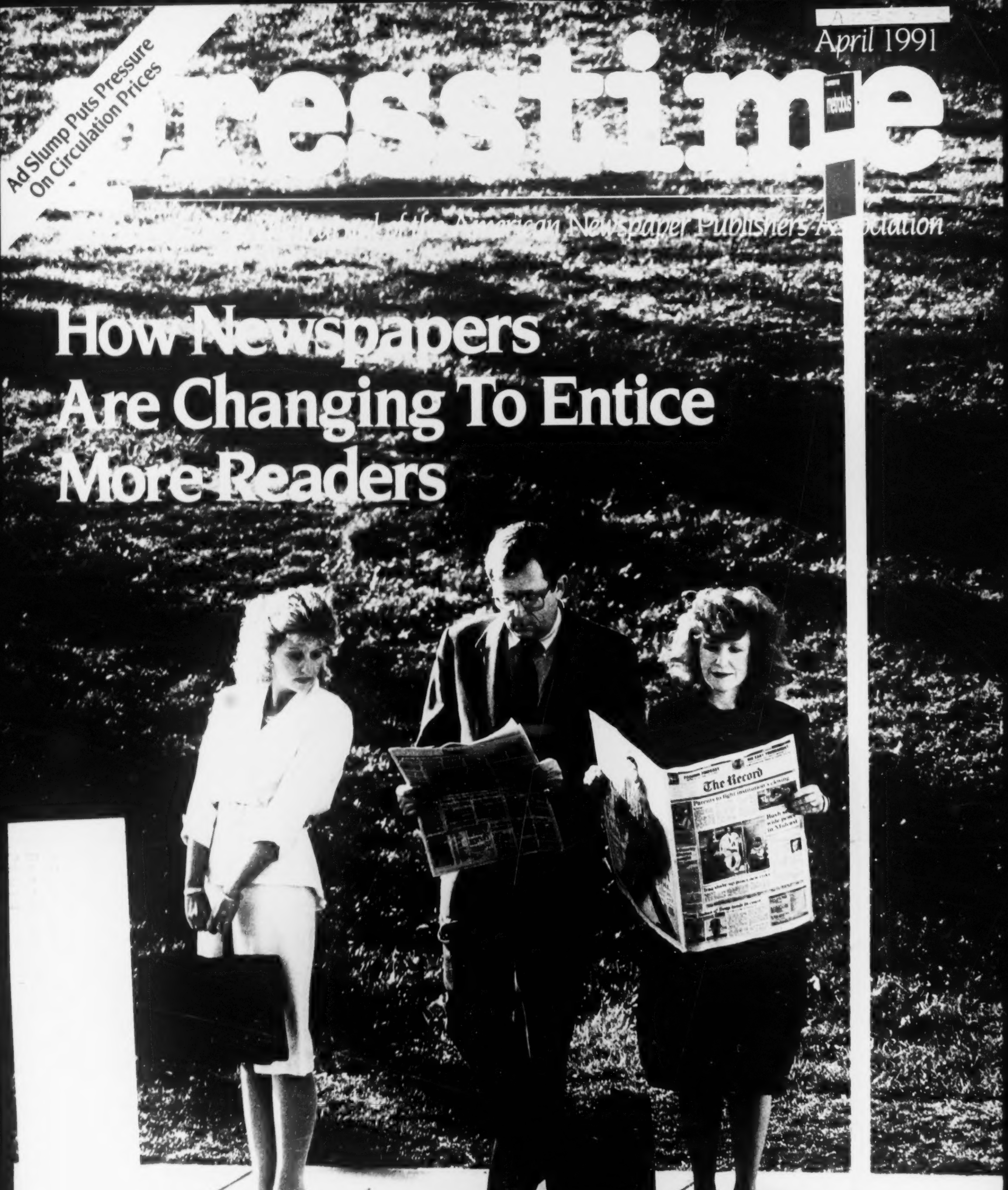
Ad Slump Puts Pressure On Circulation Prices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How Newspapers Are Changing To Entice More Readers

presstime

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6 **Bigger bite** *The slump in advertising has prompted many newspaper publishers to seek proportionately more revenue from circulation sales.*

10 **By the numbers** *A demographics specialist challenges newspapers to appeal to aging baby boomers and minorities as general population growth slows.*

14 **Face to face** *Neighborhood meetings are among several methods newspapers are using to better understand the needs of minorities.*

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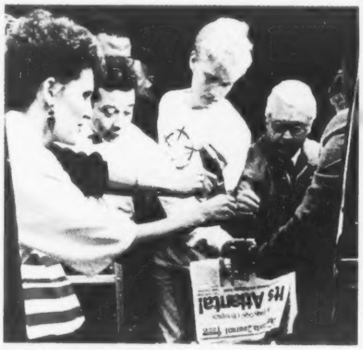

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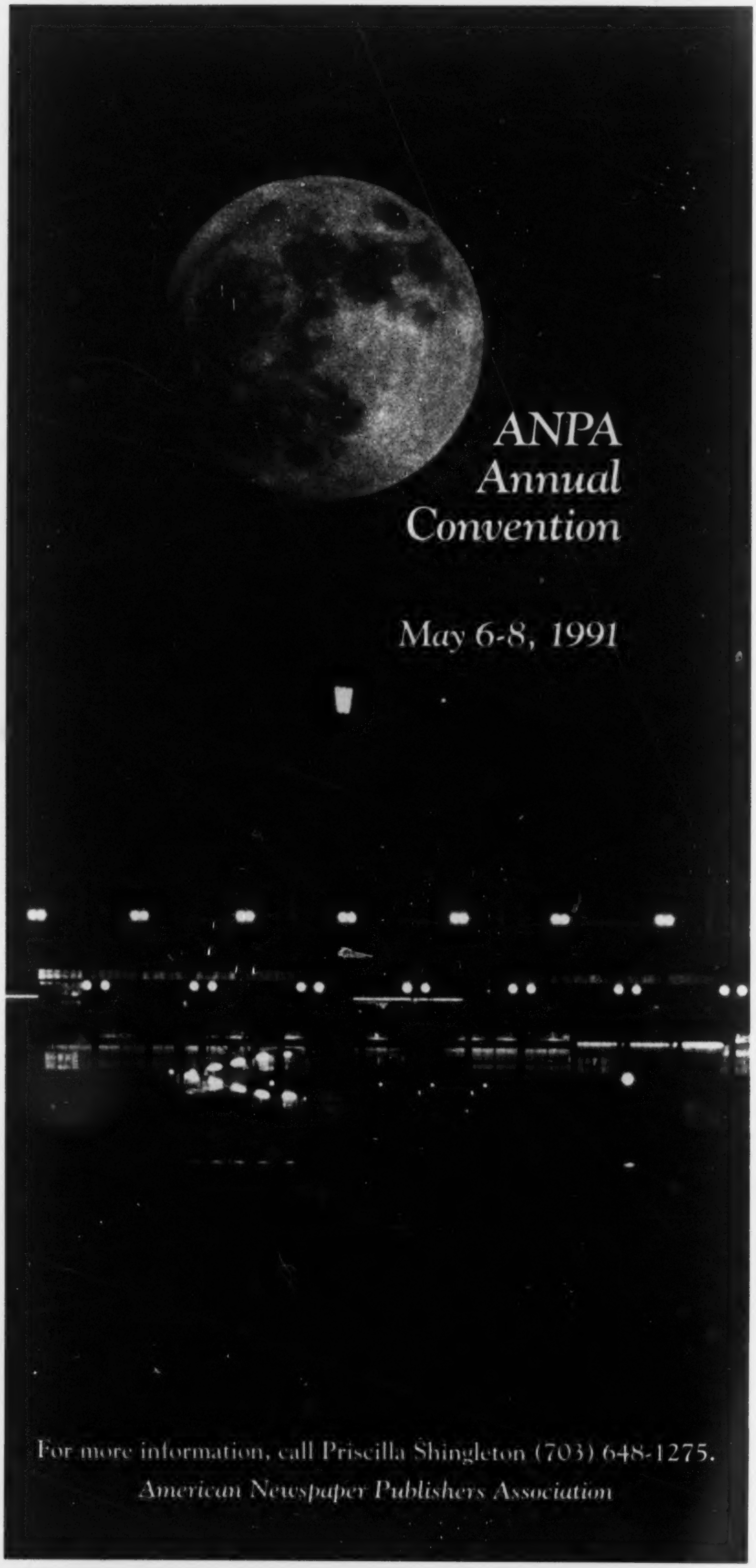
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AD SLUMP FORCES A RELIANCE ON Circulation Pricing

BY ROLF RYKKEN
presstime staff writer

The worst advertising slump in 20 years has prompted newspaper executives to charge higher circulation prices at the newsstand and for home delivery. They are risking potential readership and household-penetration losses in an effort to offset falling revenues.

While some executives say the recent increases may last only until advertising revenues begin to rebound, others predict that a sea change is occurring in how often newspapers will impose circulation rate increases. This would mark a turnaround in the industry's philosophy toward such price hikes.

Those predicting a lasting change say newspapers will be shifting more of the burden from advertisers, just as the magazine industry did in the 1970s. Newspaper advertisers now generally carry 80 percent of the revenue load; customers' newsstand purchases and home subscriptions account for the remaining 20 percent. Many Wall Street analysts and newspaper executives say newspapers have been way underpriced for far too long [**presstime**, Jan. 1991, p. 60].

"We have an industry relying on the advertiser to pay the bulk of the freight, and it is finally coming around that the reader has to pay a fair share as well," says David T. Lucey, vice president and general manager of the Meriden (Conn.) Record-Journal, which instituted its second home-delivery increase in a year last January.

Since 1989, the Record-Journal also imposed a round of higher daily and Sunday single-copy prices.

The increases in subscription and single-copy prices resulted in "negligible" losses in circulation that have been regained, Lucey says. "It used to be, in the old days, that if you went up 2 to 3 cents (per copy), half the town would be in an uproar," he notes, "but (now) people are used to prices going up."

The trend toward a higher price of 35 cents or more for weekday editions has been accelerating, although in the last tabulation the predominant single-copy price remained 25 cents [**presstime**, May 1990, p. 68].

A **presstime** study covering newspapers in all 50 states and the District of Columbia found that single-copy prices for weekday editions were slightly below the 58-percent rate of inflation for the period 1980-90.

However, the price of single-copy Sunday editions was far higher than the inflation rate, and monthly subscriptions also outstripped inflation. (See table, p. 8.)

The study, encompassing 99 newspapers, was based on data compiled by the Audit Bureau of Circulations. More detailed results are available from **presstime**, Box 17407 Dulles Airport, Washington, D.C. 20041.

David W. Trozzo, The Capital, Annapolis

Odessa Ellis (left), a vendor for The Capital in Annapolis, Md., makes brisk sales by visiting local office workers at their desks.

RACKING UP RATES. Any executives with grave concerns about the danger of increasing newsstand and home-delivery prices might want to consider the example of the Lexington (Ky.) Herald-Leader and its president and publisher, Lewis E. Owens.

One colleague uses the term "guru of newspaper pricing" to describe the advertising-director-turned publisher. During the 1980s, he increased home-delivery rates every year except one (1988); he hiked newsstand prices every three years.

A weekday edition of the Herald-Leader now costs 50 cents (a 150-percent jump from 20 cents in 1980); later this year Owens intends to increase the Sunday price from $1.25 to $1.50, a 20-percent boost.

"We are the most expensive paper in Knight-Ridder Inc.," Owens says. The paper now charges a seven-day, home-delivery rate of $3.30, having grown from a weekly rate of $1.56 in 1980. That's an increase of 111 percent over 11 years. The Herald-Leader is 20 cents a week more than The Philadelphia Inquirer, Knight-Ridder's second-most expensive paper.

In 1980, circulation revenues accounted for 20 percent of total revenues; now they account for 29 percent and will continue to grow in proportion to overall revenues, Owens says.

Also increasing are the newspaper's earnings. The paper's 1990 profit was 1.5-percent ahead of 1989, he says. While 1990 advertising revenues were down by 1.4 percent from 1989, circulation revenues in-

READERS FOR MORE REVENUE

Gets Aggressive

creased 6.3 percent during the same period. "The increase in circulation revenue made the difference" in profit, Owens says.

For years, Owens says he felt lonely hiking circulation rates. Now he doesn't find himself so much a maverick. Here are some other examples of recent circulation rate increases:

- Sixteen other Knight-Ridder dailies have increased home-delivery rates, and six others have hiked newsstand prices since 1989. The increases can be attributed partly to the soft advertising market, says Jerome S. Tilis, Knight-Ridder vice president/marketing. Nevertheless, he joins others in predicting that "over time, readers will have to pay a larger share of the newspaper revenue stream. . . . There is a new awareness . . . that circulation needs to be adjusted upwards."
- Two Gannett Co. newspapers are scheduled to join 11 others that increased their Sunday newsstand sales to $1.50 per copy last year. One newspaper's weekday price will be increased to 50 cents and a second daily will go to 40 cents, says Carlton F. Rosenburgh, vice president/circulation. In the past four years, he adds, some of these markets also imposed home delivery increases. "It will take time to rebuild on advertising, so it is not improbable that circulation will be a bigger share of (total) revenue," he says. Rosenburgh expects the group's circulation revenues to grow to 30 percent of overall newspaper revenues in 1991, up 5 percentage points in four years.
- According to a recent survey by the International Circulation Managers Association, 10 of 11 U.S. Sunday newspapers now priced at $1.50 went up only last year, as did 14 of 85 dailies that now charge 50 cents on weekdays.
- Over the past 10 years, most Scripps Howard newspapers increased newsstand and home-delivery rates every 18 months or so. "What is happening," explains Corporate Director of Circulation Tony J. Delmonico, "is that subscribers have come to expect it."
- Three of The Times Mirror Co.'s seven newspaper properties—The Hartford Courant, Newsday and The Baltimore Sun—increased circulation rates in 1990. "Looking at the pattern over the past five years or more, there were more increases last year than normal," says Suzanne Hovdey, director of corporate communications. "At the individual papers, there is a more aggressive philosophy due to the declines of advertising revenue."
- For most of the Thomson Corp.'s 123 U.S. dailies, circulation rate increases have occurred every two years in the past decade, says Don P. Hicks, senior vice president and general manager. He emphasizes that the decision to raise rates rests with individual publishers.

In some cases, it seems as if newspaper executives "are thinking the unthinkable" on circulation rate increases, observes Albert E. Gollin, vice president/director of research at the Newspaper Advertising Bureau. If newspapers "are going to maintain economic viability in tough times," he says, then their leaders "have to examine all assumptions about circulation" rate increases. These assumptions "can at least be tested, or you can learn from the newspapers that have changed their pricing policies."

CAUTION ADVISED. The decisions to increase circulation rates are made cautiously, newspaper executives insist.

Gannett's Rosenburgh says the best approach is to be conservative, focusing on markets where the economy is healthy and the newspapers are in a strong enough position to withstand any initial circulation fallout from price hikes. "You have to be selective," he says. "We've turned down some price increases because we didn't think it was a smart move" in those markets.

Dianne Laakso, The Atlanta Journal

Atlanta papers sell briskly with news of the city's selection as an Olympic Games site.

Some of Lee Enterprises Inc.'s 19 dailies wanted to increase circulation rates two years ago, says Michael Rehberg, director of circulation and readership, but they held back until there was circulation growth as a result of editorial and circulation service improvements. This year may be the time for the price changes, he says.

Not even "the guru of newspaper pricing" could be described as incautious. Publisher Owens knows that increasing the price of his Lexington paper nearly every year requires giving consumers something in return: enhancing the editorial product and improving delivery.

The Herald-Leader has hired 30 additional people for the newsroom in five years, increased the newshole, and expanded the use of features and color. In circulation, 15

> *The decisions to increase circulation rates are made cautiously, newspaper executives insist.*

Trends in Newspaper Circulation Prices 1980-1990[1]

Category[2]	Average % change	Consumer Price Index % change
Single-copy sales (99 newspapers)	54.6	
Sunday sales (66 newspapers)	109.6	58
Monthly subscription (78 newspapers)	69.5	

[1] Sept. 30, 1980-Sept. 30, 1990.

[2] Newspapers were selected on a formulaic basis covering ABC-member dailies published in all 50 states and the District of Columbia.

Sources: **presstime**, Audit Bureau of Circulations, U.S. Department of Labor

more people now help with service. The newspaper also has implemented a porch-delivery system within the city.

Although executives universally worry that price hikes make them vulnerable to circulation and penetration losses, the experience at the Herald-Leader suggests this is not always true.

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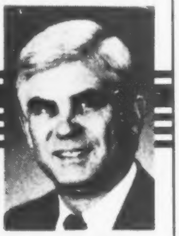

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Daily circulation increased 20 percent and Sunday circulation went up 42 percent during the decade when rates climbed frequently. However, penetration slipped from 64 percent to 61 percent of the area's households on weekdays and from 79 percent to 71 percent on Sundays. "Yes, we've lost some penetration, but it hasn't been that great," Owens says.

"Circulation growth is the bottom line. If we'd had huge circulation losses, we might have to rethink (our philosophy), but since the circulation has grown, we don't have to," he says.

He and other newspaper executives say potential losses in subscribers and single-copy buyers can be countered with strong promotional campaigns before and after price increases take effect.

"Our entire U.S. operation is up 2.5 percent in circulation in 1990 over 1989," says Thomson's Hicks. Rate increases can have adverse effects, but usually it's because of insufficient promotion rather than subscribers' resisting a rate increase, he maintains.

Another method to prevent subscriber defections—used by papers such as the Herald-Leader and The Wichita Eagle—involve offering subscribers renewals at the old rate, before new ones are imposed. The Herald-Leader also offers a three-day weekend package for subscribers who decide seven-day rates are too expensive.

HOW OFTEN? Whether circulation rate increases will become as frequent as advertising rate hikes have been in the past is unclear, executives and observers say.

Owens says Herald-Leader advertisers are pleased when newspaper executives ask "subscribers to bear more of the revenues. . . . This is a team—circulation and advertising. . . . And we're pleased with the balance between the two."

J. Kendrick Noble, veteran newspaper analyst and a consultant to the PaineWebber brokerage firm, says more frequent circulation rate increases are "long overdue" and will likely continue, perhaps annually.

By his calculations, newspapers that raise circulation rates about 2.5-percentage points over inflation lose less than 1 percent of their circulation.

Additionally, Noble emphasizes that these losses often can be offset by future sales.

Noble is among those who point to the equal share that exists between advertising and circulation revenues for magazines, a change from two decades ago when circulation revenues accounted for just one-third of the total. Magazines sold heavily discounted subscriptions to produce big circulation numbers for advertisers, but at the same time they were being hit with huge postal increases.

He says one magazine publisher described the previous environment as "the most fortunate misfortune" because it forced magazines to change their revenue ratio. Accompanying this change in magazine-publishing philosophy was a narrowing of markets for mass-circulation consumer magazines.

Newspapers, however, still generally embrace their mass-circulation position, and that's what they continue to sell to advertisers.

Subscribers "in the future may have to pay a little more in revenue, but we can't lose sight of the fact that we're selling *circulation* to advertisers," says Robert J. Hall, chairman of Philadelphia Newspapers Inc., publisher of The Philadelphia Inquirer and The Philadelphia Daily News. Both increased home-delivery rates in 1990, and the afternoon Daily News increased its 35-cent newsstand price to 50 cents in March.

Still, says Kenneth Berents, vice president and senior analyst of Alex. Brown & Sons in Baltimore, the newspaper industry is beginning to recognize that it's "not just selling reach, it's also selling demographics. And most subscribers aren't going to cut out the paper if it goes up" in price.

Now may be a good time for newspapers to get readers used to price hikes because of high interest in current events, especially the aftermath of the Persian Gulf War and the tumultuous developments in Eastern Europe and the Soviet Union, says James P. Dolan, managing director of The Jordan Group Inc., a newspaper consulting firm.

Yet Harold F. Woldt Jr., vice president/circulation of Newsday, counters that newspapers may not be able to continue hitting the consumer in the wallet. Woldt suspects that single-copy price hikes may cool in about two years, after the 50-cent daily newspaper becomes common. ☐

Three Trends Pose Peril For Publishers

Slow growth, aging and diversity of markets will persist

BY NANCY M. DAVIS
presstime staff writer

Cynical Diogenes became an unpopular fellow in ancient Greece when he insisted on carrying a lamp around to illuminate his eternal search for an honest man. American Demographics magazine Publisher Peter Francese sympathizes with the doomsayer, because he often assumes a similar role among the nation's publishers.

Francese says too many newspaper publishers and editors believe that their audiences have interests much like their own. To the contrary, he says, newspapers will prosper in coming years only if editors and reporters get away from the natural tendency to write from personal points of view. They must study the demographics of their communities and produce stories that appeal to broad constituencies, he says.

"No one group of editors can relate directly to the vast complexity of a given community, so it's necessary to gather data and shift toward more information-based reporting and more analysis of what consumers are interested in," Francese tells media executives who seek his counsel.

This fundamental change is needed because of population shifts that are slowly but surely undermining the structure and purpose of the nation's mass-circulation media, newspapers and magazines alike.

Like Diogenes, however, Francese says forewarned, responsible leaders can heed his plea—and change their fate—by taking swift action in response to three emerging trends: slowing population growth, aging of the baby-boom generation and increasing diversity of consumer markets.

TERMITE INFESTATION. The most insidious trend is a slowdown in the growth of the population and households. This slowdown affects circulation, Francese says, like "termites that gradually erode the base" of a house. The facts are that the number of U.S. households increased 27 percent during the 1970s, 16 percent during the 1980s and are projected to increase 11 percent during this decade. (See table below.)

In many states "that growth will approach zero," he forecasts. Furthermore, 13 states—one of every four—are projected to lose population during the decade of the 1990s. They are Illinois, Indiana, Iowa, Kentucky, Michigan, Montana, Nebraska, North Dakota, Ohio, Pennsylvania, West Virginia, Wisconsin and Wyoming.

U.S. Population and Household Growth, 1970-2000

Decade	Population Growth		Household Growth	
	#	% Change	#	% Change
1970s (actual)	23 million	+11.4 %	17 million	+27.4%
1980s (actual)*	22 million	+9.8	13 million	+15.6
1990s (projected)*	18 million	+7.1	10 million	+10.8

**Based on total U.S. population of 249.6 million in 1990.*

© 1991 American Demographics Inc.

But the trend is not limited to those states. Elizabeth Hansen, research coordinator at the Bangor (Maine) Daily News, is among the newspaper executives who have found that preliminary 1990 census counts show some loss of population in parts of their markets. As a result, the Daily News recently launched a study to learn more about the situation.

At The Boston Globe, Ronald Kuzoian, director of marketing research and planning, reports that his market is likely to grow only in the range of 0.50 percent to 0.75 percent a year during the 1990s. At that rate, new circulation is "harder to come by," he notes. So, the Globe's executives are using Claritas Corp.'s Prizm software to identify market segments that are good candidates for new sales pitches.

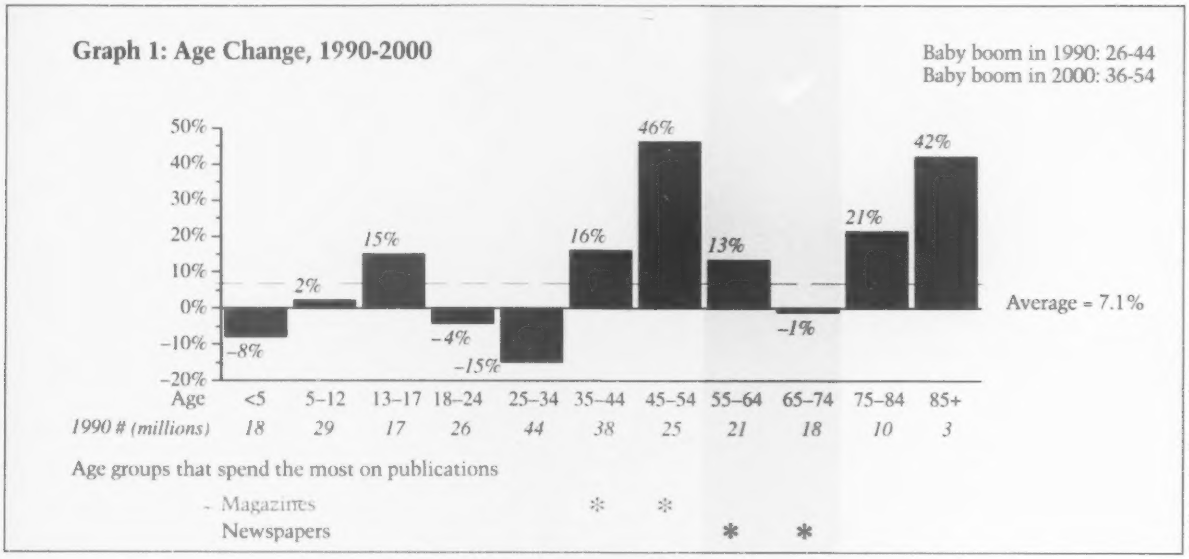
Even in New Hampshire, one of the fastest-growing states over the last decade, future circulation growth is not a certainty for newspapers. James Rousmaniere, editor and president of The Keene Sentinel, has seen market penetration drop from 77 percent to 72 percent since 1987. To compensate, the Sentinel is expanding its geographic reach and making extra efforts to serve groups such as older people.

"Population growth used to cover a lot of marketing mistakes," says Francese, who also serves as president of American Demographics and who will be among the speakers at ANPA's May 6-8 Convention in Vancouver, British Columbia. In the future, newspaper executives won't be able to get circulation increases merely by waiting for their communities to grow, he warns. "Circulation growth can only occur by satisfying a greater percentage of the community with your product and deeper penetration within your market.

"Unfortunately, community newspapers appear to be doing just the opposite," he laments, adding that the percentage of subscribing households has slipped to about two-thirds. "Slowing growth absolutely mandates that editors focus on people who are there and substitute growth in knowledge about these customers for growth in the customer base," Francese says.

"Contrary to popular belief, a newspaper is an optional buy," he continues. "It is not like food, where you have to go to the supermarket every week. We are in a situation where people get the information they wish to get from other places. It's imperative that community newspapers find a way to become essential again."

The publisher of the Dow Jones & Co.-owned magazine says newspaper publishers and editors must realize that circulation growth can occur only by targeting faster-growing segments with specific messages.



Graph 1: Age Change, 1990-2000

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AGING BABY BOOMERS. National census data paint a statistically sound picture of the segments and their potential for growth.

During the 1990s, the data indicate, there will be rapid growth among very old readers. A declining number of young adults will create a dearth of new, potential readers. Meanwhile, one of the largest and most important groups will continue to be the one called the baby-boom generation (people born between 1946 and 1964), despite the fact some of its members have just reached the beginning of what demographers classify as middle age (45).

Aging baby boomers are important to publishers because they are in, or are approaching, the two age brackets that traditionally spend the most money on publications: 35-to-54-year-olds spend the most on magazines; people ages 55 to 74 spend the most on newspapers; and the two age groups spend the most on reading material of all types, including books. (See Graph 1, above.)

Publishers could expect circulation increases of up to 16 percent over this decade if baby boomers were to buy and read newspapers at the same rate as their predecessors, merely because of population growth in these key age brackets. However, Francese has found that as baby boomers get older, they are *not* behaving as their predecessors, in at least two ways.

First, he says, they have lower newspaper readership rates than previous generations. For example, a 1980 study of the 35-to-44 age group found that 66 percent read a newspaper every day. In 1990, after the baby boom had filled the age bracket, only 60 percent read a newspaper daily.

Francese says that unless baby boomers are given "some inducements," it is unlikely they will ever have the same readership rates as those previously in that age group.

In his worst-case scenario, newspaper readership will not grow at all during the decade. More realistically, he suspects it will grow about 7 percent, the same growth rate as the U.S. population.

"The fact that the baby boom is aging will create a climate where more people are likely to want to read the newspaper," Francese explains. "The challenge is how to induce them to do so. To achieve even a modest circulation increase, newspapers must develop products that invite baby boomers' attention."

That means finding out what their interests are. "My first suggestion is to look at what they spend their money on"—food (both at home and away) apparel, travel, home furnishings and health-related goods. These are all prime topics for editorial treatment, he says.

FRAGMENTATION. Baby boomers as a group differ from their predecessors in another basic way: Fewer are settling down and supporting children, although many do own homes.

In fact, married couples with children now represent only 26 percent of all households in the United States. Married couples without children are more numerous, accounting for 30 percent of all U.S. households. (See Graph 2, p. 12.) Yet until recently, most of the nation's newspaper publishers "have been talking about a target audience of mom, pop and the kids," Francese observes.

Different types of families and households are among "the most important things newspaper executives should be looking at," he says. "Two-wage-earner families have less time to read newspapers. People without kids have more time to travel, read, shop, have pets and hobbies and have time to read about those things. It's incumbent on publishers to understand those interests."

The needs of the minority population must also be addressed as Black, Hispanic and Asian American groups are slated to grow faster than the rest of the popu-

"Newspapers must develop products that invite baby boomers' attention."

Peter Francese
American Demographics

Married couples with children now represent only 26 percent of all U.S. households. Married couples without children are more numerous, accounting for 30 percent of all households.

lation and therefore represent opportunities to increase newspaper circulation.

One of every four U.S. residents are now members of racial and ethnic minorities. In 20 years, the ratio will be one in three.

"What used to be called 'fringe groups' are now mainstream, important parts of the community" Francese says. "It is necessary to understand who they are and what they want from a newspaper." Language, food preferences, and reading and shopping habits need to be studied, particularly in regions such as New Mexico, where nearly two-thirds of the population will be comprised of minority group members in the year 2000.

In Southern California, "We have a fairly significant growth in population taking place among Hispanics and Asians, some of whom don't speak English," says N. Christian Anderson, editor and vice president of The Orange County Register. "We reach out in several ways. One is by having a diversity of staff members."

Francese cites The Patriot Ledger of Quincy, Mass., as an example of a newspaper that has responded to community change by hiring Asian American reporters with bilingual skills.

He wants editors and writers elsewhere to reallocate news space away from general-interest articles, thereby making room for coverage of such market segments that are not currently being served.

"Newspaper (reporters) are very good about writing stories about events, but more and more people's lives are affected not by singular events but by gradual changes in government policies, economic shifts or demographic trends. These need to be written about as thoroughly as crimes or fires," he says. Publishers should create spreadsheets of information about population groups in communities they serve, with columns for the issues of interest to each, he adds. The data can be derived from the census (see story, p. 45) as well as local surveys.

Newspaper editors and writers are most guilty of writing exclusively for those who have college degrees. It's no wonder, he says, "because most of them have college degrees, but most of the population doesn't."

About 60 percent of the nation's workers over age 25 finished their education in high school. Francese's research has shown that such market segmentation by education has become economic segmentation as well: High school graduates earn an average $21,000 a year, and college graduates receive an average $34,000 annually.

Less well-educated people have different values, beliefs and agendas "that need to be taken into account and thought about and addressed when writing about certain things. For example, we cannot make the statement that we are all better off than we were 10 years ago because that statement is not credible among a large segment of the population," he continues.

"The people who are college graduates have shared in the American dream because they have had an increasing income after inflation, so they are better off. The people without a high school degree are, in constant dollars, making less money today than they were 10 years ago."

Francese says less well-educated people often have "a substantial amount of hostility to establishment institutions," particularly newspapers. "Personally," he says, "I think some of this hostility is justifiable."

After all, the average community has one electric and gas utility and only one local newspaper, too. "People have a negative attitude toward their utilities because they don't have any choice. There's only one," and they may feel the same way toward newspapers, he says.

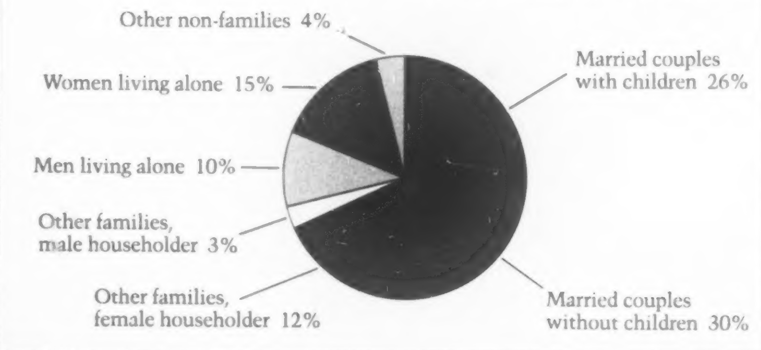
"Nobody is suggesting that what you're going to write about is offensive to existing readers, but when a market doesn't grow, look at those who don't buy the product and find out why. These people buy food, homes, cars, and they have incomes. Individual households may not make much money but aggregate it, and they do spend money. . . . They buy certain products a lot. It is simply unacceptable to dismiss this population."

Whereas most communities have only one paper, there may be four or five radio stations. "Radio stations can segment themselves according to format, but newspapers can't," Francese points out. Newspapers must therefore have sections that appeal to different groups. "Certain people will read only parts of the paper and buy that paper because of a special interest in sports, or the home section. Newspapers have been doing this for a long time," he notes, "but today it's even more imperative to understand what the different segments want.

"There will be a role for a community newspaper in the future, but it may be a more complex product—and quite a different paper in Connecticut than in New York, for example," Francese says.

"I'm a publisher, too," he says, "and we take these things to heart. We are transforming American Demographics so readers will be able to read quicker, get into the magazine quicker, and the same things apply to newspapers who value readers' time. Knowing the customers—and knowing who they are and what they want—is absolutely necessary if newspapers are to bring back some of the market share they've lost over the last decade." ☐

Graph 2: Household Types, 1990



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P.M. Newspapers:

They still outnumber morning editions by nearly 2-1, and many

BY WALT POTTER
presstime staff writer

Afternoon daily newspapers, considered by many people to be a dying breed, may have more life left than is generally supposed.

An informal sampling of evening papers across the United States found that most of their editors and publishers want to stay on the current publication cycle.

The smaller dailies, under 40,000 circulation, cite competitive advantages, reader preference, tradition and even distribution logistics among many reasons for remaining p.m. papers.

Executives at evening dailies in large cities, the kind of markets where death in the afternoon has been widespread, insist there are tens of thousands of readers in their circulation areas who want to receive a freshly printed newspaper late in the day.

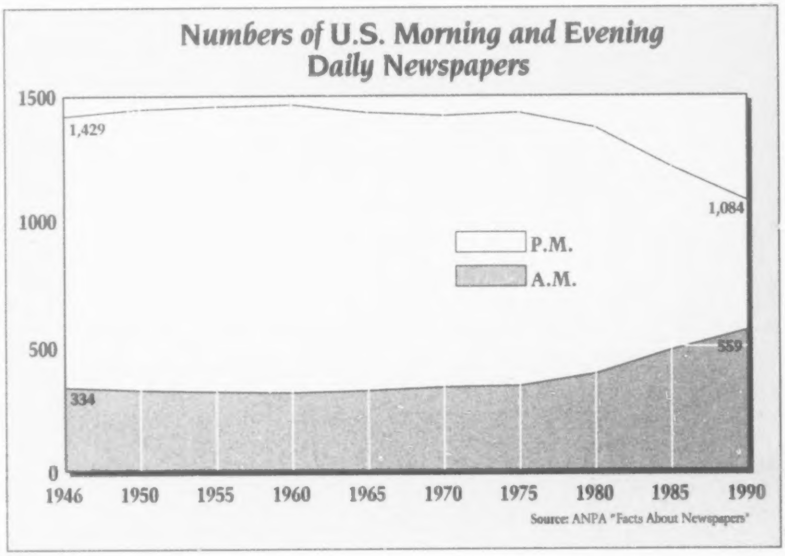
Nationwide, of course, afternoon newspapers are continuing to disappear (see graph at right), usually through conversion to morning publication or through elimination of an afternoon edition from a morning-afternoon combination. (See story, p. 62.)

Yet U.S. afternoon newspapers still outnumber morning dailies by nearly 2-1, and there are many communities where particular market conditions lend themselves to p.m. publication, the **presstime** sampling indicates. Indeed, the demands of the local marketplace determine whether the p.m. cycle is right for a given paper.

"You've got to make those decisions for yourself," says Derek L. Wood, publisher/general manager of the Portsmouth (N.H.) Herald, an afternoon daily that last year recorded the largest percentage circulation gain in the country, according to a survey by the International Circulation Managers Association.

PERSISTING IN SMALL CITIES. A look at nine small dailies from across the country, four independent and five group-owned, shows a common concern with keeping the papers out of the line of fire when the morning competition hits the streets.

Wood's Herald, a Thomson Corp. newspaper, remains an afternoon publication in large part because it's only about 60 miles from where the Boston Herald and The Boston Globe are published each morning.



Source: ANPA "Facts About Newspapers"

Alberto Pacheco

"We looked at morning," he says, "but it's unusual for anybody to go up against the Globe," which is distributed in much of New England.

So, instead of changing the publication schedule to combat what until recently was sagging circulation, Wood has bolstered news content and tried to make the dependability of his newspaper's delivery rival that of pizza chains.

"If our paper isn't there by 5 p.m., we guarantee a circulation person will be knocking on the subscriber's door 25 minutes after they call us," he says.

The result was a 21.6-percent increase in daily circulation to 15,630 between September 1989 and September 1990, despite the closing of a naval base near Portsmouth.

In Nevada, the Elko Daily Free Press takes into consideration the fact that the Reno Gazette-Journal—published on the other side of the state—comes out in the morning, says Mae Steninger, who owns the 5,457-circulation daily along with her husband, Mel. The Reno paper has 100 single-copy outlets in the 20,000-population Elko area. "We never considered" going a.m., she says of the Free Press, which reported a circulation gain of 5.3 percent in the 12 months leading up to Sept. 30, 1990.

The Daily Record of Wooster, Ohio, has also racked up impressive circulation numbers by publishing in the afternoon rather than competing with a larger city's morning paper.

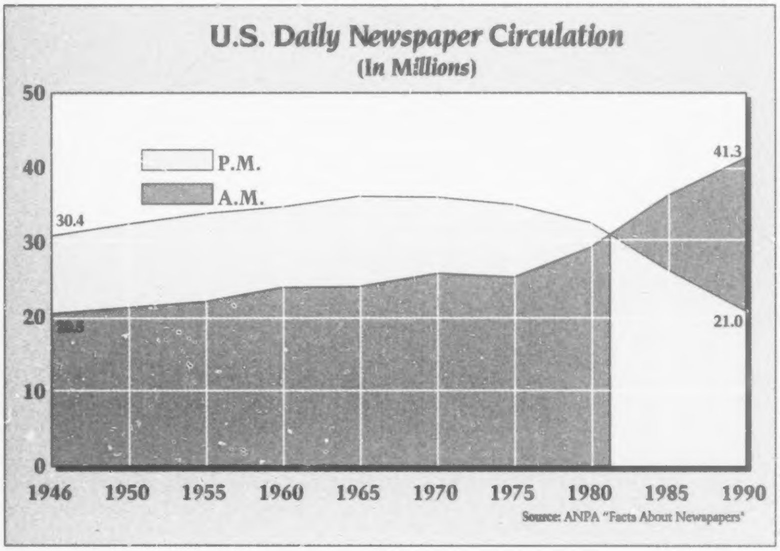
In fact, the 25,101-circulation afternoon newspaper has enjoyed the greatest weekday penetration rate of any daily in the country, regardless of cycle, for two years in a row,

> "You've got to make those decisions (about when to publish) for yourself."
>
> **Derek L. Wood**
> **Portsmouth (N.H.) Herald**

Afternoon Delights

readers clearly prefer them to papers delivered at dawn

U.S. Daily Newspaper Circulation
(In Millions)



Source: ANPA "Facts About Newspapers"

Alberto Pacheco

according to surveys by ICMA.

Part of this achievement derives from remaining an afternoon newspaper, says Frank L. Beeson, general manager of the Dix Communications subsidiary. "We were thrilled when the Beacon Journal (published in nearby Akron) went morning," says Beeson. "It's nice to be your own island."

The Daily Record specializes in local news, and an afternoon cycle grants advantages, Beeson notes. The paper's reporters can attend local meetings long into the night, while those from Akron must leave early to file their stories, he explains.

The newspaper's dedication to comprehensive local coverage helps newsstand sales that account for a big part of its 105-percent penetration rate. That is, the company sells 105 copies for every 100 households in its circulation area. Beeson says the excess can be explained by single-copy sales, some of which are purchased by subscribers who want to read the paper on certain days during their lunch hour. Others who work in Wooster but live elsewhere pick up The Daily Record on their way home.

When competition from a morning metro paper isn't a factor, some publishers find themselves forced to remain on the afternoon cycle, even when they don't want to.

The Daily Review Atlas of Monmouth, Ill., in early 1988 converted to morning publication, thereby escaping some of the competition with four larger afternoon daily newspapers located within 20 miles. Only six months later, however, the American Publishing Co. subsidiary returned to afternoon publication.

"We thought we could gain subscribers, but we actually lost a little circulation," says Publisher Scott T. Champion. "We also had terrible problems getting carriers in the morning. Parents just didn't want their children delivering papers in the dark." The 3,950-circulation daily relies on youth carriers for 75 percent of its distribution.

> *"We were thrilled when the Beacon Journal went morning. . . . It's nice to be your own island."*
>
> **Frank L. Beeson**
> **The Daily Record, Wooster, Ohio**

Even when a newspaper dominates its market, as The Emporia Gazette does in a seven-county area of south central Kansas, the choice can still be p.m. "I guess we're afternoon because we haven't been forced to do otherwise," says Managing Editor E. Ray Call.

The Gazette has not been totally spared the effects of competition, though. The influence of television and statewide morning dailies has forced the Gazette to give up covering some of the national and international news that its famous earlier editors and owners, William Allen White and William S. White, favored, Call says.

Nevertheless, Gazette readers are thoroughly in the habit of reading an afternoon newspaper, and Call expects that the newspaper will stay p.m. at least for the foreseeable future.

Indeed, surveys and other pulse-taking by small p.m. dailies have found no clear indication that readers want a change to morning delivery.

"Our survey showed that there was not an overwhelming desire on the part of our readers for us to be a morning paper," says Bruce K. Smith, publisher of the Bozeman (Mont.) Daily Chronicle, part of the Pioneer Newspaper Group. "On the other hand, a majority say they would not cancel their subscription if we went morning."

These investigations by Smith and his fellow afternoon publishers also found that advertisers are ambivalent about a possible change to morning publication, although most of the newspaper executives seem to agree with Smith that ad customers might want a morning paper to get their message to consumers at the beginning of the day.

SERVING LARGER MARKETS. Satisfying readers and advertisers is on the minds of executives at some larger afternoon newspapers. Publishers of five large a.m.-p.m. combinations say a significant amount of their markets clearly want afternoon newspapers.

"A lot of people have decided the party's over for afternoon newspapers, but maybe we've stayed at a party that's still going on."

Jay Smith
The Atlanta Journal and The Atlanta Constitution

The Atlanta Journal, a p.m. whose circulation has been expanding for several years after a long period of decline, is "an important piece . . . of the base we sell to advertisers," says Jay Smith, publisher of the Journal and its morning companion, The Atlanta Constitution.

"From time to time, we take a look at going a.m. (entirely)," he says, noting that the Constitution is growing even faster than the Journal. "But every time we do, we see 190,000 readers that want an afternoon newspaper, and you don't want to take a newspaper away from a reader when he wants" to read that newspaper.

The Atlanta publisher suggests two reasons why the Journal's circulation is increasing when that of many other large metro p.m. dailies is not.

First, as metropolitan Atlanta grows, commuters are living further from downtown. Many "are on their way to work at 6:30 a.m. and then get home at 4 p.m.," Smith says. "There are real advantages to afternoon newspapers in that context."

Second, a great deal of important news falls on p.m. publishing cycles. Of late, "the news has been out of Eastern Europe, Russia, the Middle East, and they're seven, eight hours ahead of us," he notes.

Afternoon advantages such as these ultimately failed to sway executives of the Philadelphia Daily News, despite efforts in recent years to strengthen the evening paper. On March 5, deadlines for the Daily News' first edition became 90 minutes earlier so the tabloid paper could provide a morning alternative to The Philadelphia Inquirer. Both papers are owned by Knight-Ridder Inc.

The move came as a surprise, because the Daily News had reported making its first profit in 64 years in 1989. The paper has been published by previous owner Walter Annenberg and now by Knight-Ridder Inc. as a money-losing foil to potential afternoon competition, newspaper analysts say.

The Daily News' $1.6-million 1989 profit apparently was not repeated last year when the Daily News "probably about broke even," says Charles B. Fancher, vice president for communications and public affairs at Philadelphia Newspapers Inc.

"We know that in the long term, the future of the Daily News is a lot stronger if it can provide morning delivery (to single-copy sales outlets) in addition to afternoon publication," says Fancher.

Some other a.m.-p.m. combinations do not anticipate any such blurring between the two cycles.

The Evening Star-Telegram of Fort Worth recently enlivened its editorial content by making the news presentation bolder and sassier than that of the paper's more widely circulated morning cousin.

Headlines like "Poodle Slain By Archer" sell a lot of newspapers, notes Weldon Whiteman, circulation director for both Fort Worth dailies. The main intent of the afternoon paper's "flashier, faster read" is to attract a lot of newsstand buyers, he says.

Although the fate of the Evening Star-Telegram's is still in question, Whiteman observes, "We have 80,000 loyal subscribers, and we won't change our mind without thinking of the consequences."

Even firmer about preserving their afternoon newspaper are executives of the a.m.-p.m. pair, The Indianapolis Star and The Indianapolis News. The papers are the flagship publications of Central Newspapers Inc., which also publishes morning and evening dailies in Phoenix.

"Something like 80,000 to 90,000 people (in the Indianapolis area) obviously prefer an afternoon newspaper," says Publisher Eugene S. Pulliam. "We hope we keep them . . . absolutely."

There's been a lot of attention given the p.m. News, especially in circulation service. The result was, "We finally stopped our (circulation) slide (at the News). We're up a little bit against last year," says Pulliam.

Media General Inc. has also "made a conscious corporate decision to pour a lot of resources" into the afternoon paper of its headquarters city, says Alf Goodykoontz, executive editor of both The Richmond (Va.) News Leader and the morning Richmond Times-Dispatch.

In doing this, the papers' executives are going against some trends in the fast-growing central Virginia area.

"One of the problems is that a lot of people coming here from other markets are used to morning papers," says Goodykoontz.

Nonetheless, Media General sees other factors that support Richmond's afternoon newspaper.

One particular boost to the News Leader is its Green Section. The entertainment tabloid for decades has attracted extra readers and advertisers to the Saturday edition, one of the few remaining in a market where both the a.m. and p.m. papers are owned by the same company [**presstime**, Dec. 1987, p. 14].

"It's been around for a long time and been very successful," says Goodykoontz. "It's why Saturday sells a lot more than during the week."

Such individual market characteristics can be the determining factor in whether an afternoon daily thrives or withers away.

"A lot of people have decided the party's over for afternoon newspapers," observes Atlanta Publisher Smith, "but maybe we've stayed at a party that's still going." ☐

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May 1991

presstime

The Journal of the American Newspaper Publishers Association

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CHAIRMAN'S CORNER

Changes recently set in motion will strengthen our effectiveness

Little did I suspect four years ago, when I accepted the position of treasurer, that this would be a watershed year for ANPA.

The recession being experienced by our industry is really a blessing in disguise, because it is forcing all of us to recognize and re-evaluate the structural changes affecting our marketplace. These structural changes have been in motion for many years and include changing lifestyles, regulatory issues and new technology—all of which, in one combination or another, have created new competition causing the erosion of our revenue base and a diminution of our circulation. This is a time for renewal and regeneration of our newspapers based on our unique strengths.

Lloyd G. Schermer

In response to the profound changes affecting our industry, the ANPA and Newspaper Advertising Bureau boards commissioned the Booz • Allen & Hamilton study to give us some new insights as to how our associations can play an even more effective role. Aside from the productivity savings we might enjoy through a common administrative center, the most important contribution will be tying the two major industry organizations together as they were many years ago. It is no longer possible for either association to function independently because revenue issues cut across the missions of both.

Other important developments that make this a watershed year include a continuation of the strategic planning process, which Bill Cowles started last year and which we hope to continue into the future. We've revised and identified six key issues that we believe will better focus the Association.

Both NAB and ANPA will move forward with new leadership. Len Forman, a most able person, has taken the helm of NAB. Jerry Friedheim will be leaving ANPA for an important position with Gannett Foundation. Jerry has done a wonderful job for the last 16 years and has been a tower of strength to me during the traumatic changes that have taken place this past year. In true fashion, Jerry is giving it his very best right up to when the new ANPA president comes on board. We wish Jerry well and look forward to working with him in the future.

Finally, I want to thank all of you who have supported the changes that have been set into motion for the last 12 months, including the ANPA Board and especially my fellow officers. Bob Erburu, who will be your new chairman (assuming democracy works), has given me great support. Bob and I have worked hand-in-glove for many months. He and NAB Vice Chairman Stewart Bryant have dug through the complexities of creating the Joint Policy Committee that will bring greater integration and coordination between ANPA and NAB. Then there is Frank Bennack, heading the committee that is searching for our new president. Donald Newhouse, along with his co-chairman Larry Leser, has been putting in long hours figuring out how we can combine many of the financial and personnel activities of not only NAB and ANPA but other associations as well.

For me personally, this has been a very fulfilling year. I believe the actions we have taken and those we contemplate in the immediate future will strengthen and make a more effective ANPA to serve individual newspapers and the entire industry.

Lloyd G Schermer

Lloyd G. Schermer
ANPA Chairman

presstime

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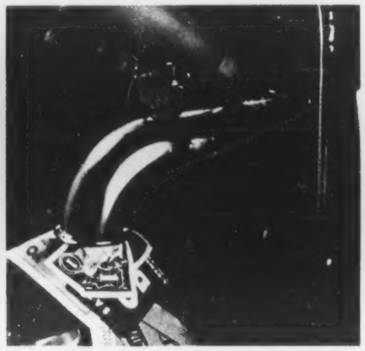

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EVEN BEST EMPLOYEES NEED REASSURANCE

DEALING WITH STAFF MORALE AFTER Employee Layoffs

BY GENE GOLTZ
presstime labor writer

Telling an employee he or she doesn't have a job anymore can wrack the steadiest nerves—the nerves of the terminated, the nerves of the terminator, and above all, the nerves of the silent gallery of employees looking on, wondering who might be next.

Managers have a responsibility to owners to do something when slack times eat at profits, and for an ever-growing number of newspapers in the current recession, that means layoffs. At least 40 newspapers have announced layoffs or permanent dismissals in recent months, with a total of 1,015 employees let go. (See list, p. 38.) But layoffs can bring on morale problems for the survivors, and poor morale is also costly for a company. Newspaper executives are learning that they have a responsibility to owners to do something about that, too.

A reduction in the work force can have a "devastating" effect on morale "and can have long term reverberations," warns Eric Rolfe Greenberg, editor of AMA Research Reports, an American Management Association publication.

John D. Blodger, ANPA vice president/human resources, says if great care isn't taken to make remaining employees feel secure, skilled employees will "update their resumes" and may take another job as soon as the economic decline is over.

Interviews by **presstime** with more than three dozen newspaper executives suggest that most are talking with their staffers about the problem of layoffs, rather than trying to pretend it doesn't exist.

"The first thing you do," says Bill R. Gulledge, president and publisher of The Middlesex News, Framingham, Mass., "is adopt a policy of total honesty and openness and candor with your employees. The more they trust you and believe that you are telling them the truth and the whole story, the less likely they'll be to worry about things that aren't really there."

Gulledge says when he was forced to lay off some employees last November, he held a meeting for the entire staff and explained "just what the situation is and what the newspaper's plan and strategy is, not only for surviving, but for growing and building." The publisher told the staff, among other things, he had no plans for further layoffs.

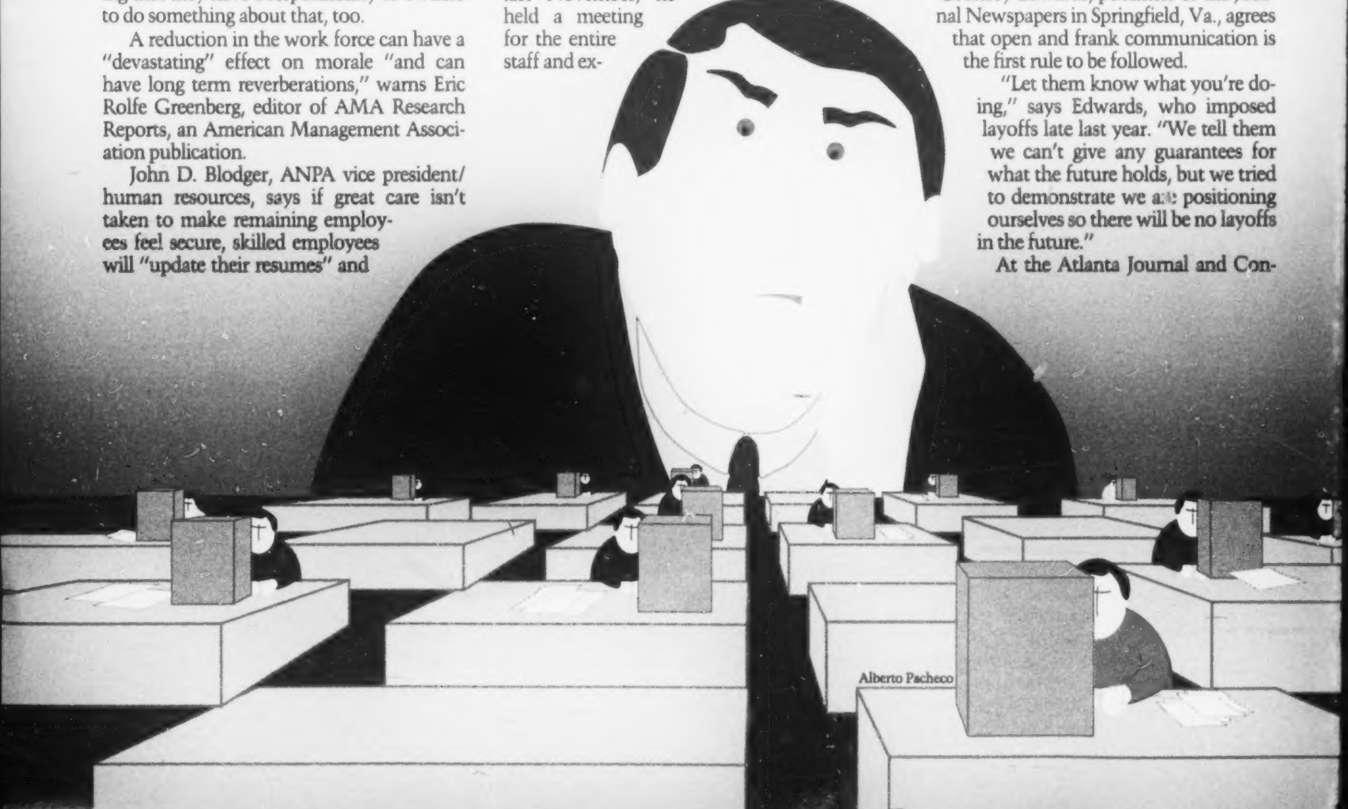
David Lawrence Jr., publisher of The Miami Herald, announced layoffs in January. At that time, he sent a letter to each of more than 2,600 Herald employees, "telling what was happening, what the future held and what we are doing about it."

"My first rule is, make sure people know as much as you know," Lawrence says. "They're entitled to know. Their lives, jobs, families, futures, are involved, and that applies not only to the ones that might be terminated but those who remain behind."

Geoffrey Edwards, publisher of the Journal Newspapers in Springfield, Va., agrees that open and frank communication is the first rule to be followed.

"Let them know what you're doing," says Edwards, who imposed layoffs late last year. "We tell them we can't give any guarantees for what the future holds, but we tried to demonstrate we are positioning ourselves so there will be no layoffs in the future."

At the Atlanta Journal and Con-


Alberto Pacheco

stitution, where a large number of people were laid off in February, Publisher Jay Smith reports, "The most important thing for us was to be a hell of a lot more open than we've ever been about business conditions."

Early in January, Smith conducted a meeting for all employees and "talked about everything." He reviewed the past performance of the newspapers, announced he would be looking closely at January's economic performance and said that the results might mean layoffs.

"By being honest and leveling with them, we reached a point where we knew we had done everything we could short of layoffs," Smith says. Not everyone was happy, he adds, but the meeting "gave people an understanding they had never had before."

Since the pre-layoff January meeting, Journal and Constitution department managers have conducted meetings with their staffs every other month. There are four sessions of each gathering, including one at 6 a.m., to accommodate employees' different work schedules.

COOPERATIVE SPIRIT. At financially pinched newspapers where some employees are represented by organized labor, good communications with union members can benefit morale—*and* the company's bottom line.

Communications between the Chicago Sun-Times and The Newspaper Guild produced unexpected dividends. After a management-union discussion about the economic situation at the paper, the Guild unit devised a plan whereby members could volunteer to take days off without pay.

Management accepted the plan, under which the average employee took 2½ days of unpaid leave, resulting in a savings that spared layoffs for half a dozen or more union members. In addition, 25 top executives volunteered to give up a week's pay.

The key to the Guild's action was "communication," says Charles F. Champion, Sun-Times spokesman, who adds, "we are keeping intensive lines of communication open at every level. Sam McKeel (chief executive officer) is meeting with middle managers on a frequent basis, keeping people apprised, answering questions and encouraging people to bring up what they want to discuss. There has been just a tremendous increase in communication in the past six months."

As a result, Champion says, morale appears to be high despite the continuing economic difficulties. "We believe people are pulling together more than they ever have before."

Linda K. Foley, director of research and information at the Guild, says open lines of communication can help avoid dismissals. "We are seeing a lot of newspapers that indicate they are looking for some kind of financial relief," she says. Even though Guild contracts contain provisions providing that layoffs be carried out according to seniority, "we are always open to negotiation on this issue," she says. "Dismissals to reduce force should be a last resort."

Layoffs by seniority often hit minorities and women hardest, she observes, and negotiation can spare those people if "buyouts" can be offered to senior employees.

Transcript-Telegram Publisher Davis (standing) rehired artist Bill Greaney.

In any event, before dismissing people, management "should look first to working with the unions to see if we can help effect reduced costs," Foley says.

She says that at the Star Tribune in Minneapolis, the Saint Paul Pioneer Press, the San Antonio Light and The Denver Post, the

Treating Dismissed Workers Compassionately Can Aid Morale

One important way for a company to deal with company morale when resorting to layoffs is to treat the dismissed employees with compassion, human resources specialists say.

Some newspapers provide counseling, employment services and help with resumes for those who have lost their jobs.

The Nashville Banner provided each of those services when it laid off eight people last fall, reports Publisher Irby C. Simpkins. The company not only aided the separated employees in writing resumes and distributing them to possible places of employment, but it also promised to furnish references to prospective future employers.

Learning that Gannett Co. of nearby Arlington had job vacancies at some of its newspapers, the Journal Newspapers in Springfield, Va., made private rooms available where Gannett representatives could interview laid-off Journal employees.

To soften the blow for 25 people, mostly part-timers, who were let go at the Norwich (Conn.) Bulletin, Publisher Richard M. Bottorf visited each one personally. "When I was bidding them farewell, most stated emphatically they understood fully" the reasons for the action, Bottorf says. He adds that later he was able to hire several of them back.

The Miami Herald offered extended medical benefits, severance pay, counseling and outplacement services to employees it laid off.

Although elaborate outplacement services may be beyond the reach of small newspaper companies, "it doesn't cost a lot of money to do certain things," observes Patricia P. Renfroe, ANPA director/personnel relations and training services. Newspapers of all sizes can help with preparation of resumes and letters of recommendation. They also can let other companies know that "we have good people available, and if you contact us we'd be happy to provide you with resumes," she says.

An important factor is that newspapers keep intact their goodwill and their reputation in the community. The comments of terminated employees get around, Renfroe notes, and a company that has a reputation of treating people "like jerks" will find its standing impaired. It will also have a difficult time recruiting good people when times improve, she adds.

Furthermore, helping people find jobs gets them off unemployment compensation. "It is good business to try to help people become reemployed," she says.

—G.G.

Newspaper Industry Layoffs

Newspaper	Number laid off	Effective date	Total work force (full- and part-time)	% of work force laid off
Adams Comm. Corp., Royal Oak, Mich.	5	4/91	N/A	N/A
Alameda Newspaper Group, Hayward, Calif.	29	2/91	985	2.9
Albuquerque (N.M.) Journal	14	1/91	147	9.5
Allegheny County (Pa.) Valley News Dispatch	12	1/91	N/A	N/A
Atlanta Journal and Constitution	133	2/91	5,400	2.5
The Berkshire Eagle, Pittsfield, Mass.	5	9/90	230	2.2
The Burlington (Vt.) Free Press	3	11/90	N/A	N/A
The Call, Woonsocket, R.I.	5	6/90	N/A	N/A
Chicago Sun-Times	45	2/91	1,654	2.7
The Commercial Appeal, Memphis	12	10/90	N/A	N/A
Daily Hampshire Gazette, Northampton, Mass.	9	6/90	200	4.5
Daily News, Los Angeles	50	11/90	1,200	4.2
The Daily News-Mercury, Malden, Mass.	2	6/90	N/A	N/A
Daily Town Talk, Alexandria, La.	6	N/A	180	3.3
The Day, New London, Conn.	8	6/90	417	1.9
The Enterprise, Brockton, Mass.	47	6/90	N/A	N/A
The Herald-Sun, Durham, N.C.	46	3/91	350	13.1
Journal Newspapers, Springfield, Va.	73	12/90	910	8.0
Lesher Communications Inc., Walnut Creek, Calif.	40	3/91	2,500	1.6
The Miami Herald	40	1/91	2,700	1.5
Middlesex News, Framingham, Mass.	18	11/90	450	4.0
Nashville Banner	8	10/90	90	8.9
New Haven (Conn.) Register	49	10/90	780	6.3
The News Journal, Wilmington, Del.	14	N/A	433	3.2
Norwich (Conn.) Bulletin	25	11/90	205	12.2
The Patriot Ledger and Memorial Press Group, Quincy, Mass.	40	10-12/90	990	6.7
Pioneer Press, Wilmette, Ill.	35	12/90	500	7.0
Portland (Maine) Newspapers	11	1/91	700	1.6
Portsmouth (N.H.) Herald	10	3/91	134	7.5
The Recorder, Greenfield, Mass.	4	11/90	N/A	N/A
Record-Journal, Meriden, Conn.	4	6/90	200	2.0
San Antonio Light	45	4/91	738	6.0
Sun-Sentinel, Fort Lauderdale	45	N/A	1,600	2.8
The Thomasville (N.C.) Times	10	3/91	48	20.8
The Times, San Mateo, Calif.	10	N/A	240	4.0
Transcript-Telegram, Holyoke, Mass.	10	11/90	108	9.2
The Tribune-Democrat, Johnstown, Pa.	15	1/91	N/A	N/A
Valley News, Lebanon, N.H.	8	11/90	79	10
The Wall Street Journal, New York City	45	12/90	N/A	N/A
The Washington Times	30	4/91	950	3.2

Compiled by the ANPA Human Resources Department and **presstime**

Guild negotiated voluntary buyouts for some employees, thus reducing or eliminating layoffs.

A cooperative spirit is also helping the non-union Daily Hampshire Gazette in Northampton, Mass., get through the tough times with a minimal number of employee terminations. Co-publisher Charles DeRose says after supervisors sat down with employees and explained the financial picture, a number of the workers volunteered to cut back their schedules—and consequently their pay—from 35 hours to 30, or from 40 hours to 35.

"Those offers came," DeRose says, "because they watched the number of (daily) pages drop by 10 or 12, and they watched the advertising drop by 20 percent, and they knew where we were because we had discussed things openly with them."

OTHER CONSIDERATIONS. A number of newspapers are going further than having open and frank discussion with their employees.

In laying off nine employees, DeRose's paper spared people with special family problems, such as illness. "We had a couple people, who because of illness, were kind of excluded from being laid off," he says.

At the Albuquerque (N.M.) Journal, although layoffs were imminent, President and Publisher T.H. Lang paid the regular Christmas bonus last year to keep up morale. After the layoffs came in January, "People pulled a little harder, knowing times are tough," he reports.

Publisher Tom J. Hardin says the Daily Town Talk in Alexandria, La., went to great lengths to minimize layoffs. Six out of about 200 employees lost their jobs, but more would have if management had not rejiggered some positions. "One who comes to mind was switched from the Living section to metro news," Hardin says. "I'm sure that individual was very grateful."

Similarly, after layoffs at the Nashville Banner, Publisher Irby C. Simpkins says surviving employees seemed "grateful they had a job." A company explanation of the economic situation "renewed their sensitivity to the importance of making a profit so we can stay in business," he adds.

At the Transcript-Telegram in Holyoke, Mass., Kirk A. Davis moved in as publisher at the first of this year, shortly after 10 of the paper's employees had been let go. Davis examined the talents of each and promptly rehired an editorial artist.

"I had dinner with him and learned he was very, very talented with illustrations and had other interests," Davis says. The artist is now doing layouts and artwork for new product designs at the newspaper.

"I guess one angle worthwhile considering, as newspapers are scaling back, is to know well the talents of individuals they are thinking of laying off," Davis advises. He also says he may change some job responsibilities in lieu of layoffs.

Gulledge of Framingham believes many publishers make a mistake in assuming all of their best people believe their jobs are secure, regardless of who else may be laid off.

"I think it's the mistake almost everybody makes in times of restructuring, times when positions are being eliminated. Those are times of great stress, anxiety and uncertainty. And the mistake we make (is) we assume our best employees—whose positions are absolutely secure—will automatically know that," Gulledge says.

"I will look at someone and say, 'That person's job is secure,' and then I will find out that person is out looking for another job because he thinks he's next on the layoff list," he says. "So the message there is, we need to go out of the way to communicate with them and let them know every day their presence on this newspaper is important."

Greenberg of the American Management Association agrees emphatically. "People cannot work when they expect to be fired," he says. ☐

New predominant prices: 35-cents daily, $1 Sunday

The predominant prices for daily and Sunday newspapers are now 35 cents and $1, respectively. These levels were attained after nine years when 25 cents was the predominant price for daily editions, and after three years when 75 cents predominated for Sunday papers.

ANPA's annual survey of single-copy, city-zone, street-sale prices covered 1,727 dailies in the United States, Canada, American Samoa, the Bahamas, Bermuda, Guam, Puerto Rico and the Virgin Islands. It showed that 765 (44.3 percent) of them cost 35 cents on weekdays in 1990, compared with 688 (39.4 percent) a year earlier [**presstime**, May 1990, p. 68].

In addition, those selling for 50 cents increased from 92 to 155. As recently as 1985, there were only six 50-cent dailies.

Meanwhile, there were decreases in the number of newspapers selling for the lowest price of 15 cents (from 10 to 8), 20 cents (from 16 to 9), the previously predominant price of 25 cents (from 776 to 665) and 30 cents (from 103 to 67).

Of the 874 Sunday papers in the survey, 256 (29.2 percent) cost $1, up from 220 (25.6 percent) in 1989. Also increasing were the ranks of Sunday editions selling for $1.25—from 100 to 125—and for $1.50—from one to 12. The $1.25-a-copy level was first reached in 1985, followed by the $1.50-a-copy level in 1989.

There was a decrease in the number of Sunday papers priced at the formerly predominant rate of 75 cents; they dropped from 262 to 241. Those selling for 50 cents dwindled from 197 to 182.

Sunday papers selling for less than 50 cents also declined in number, from 65 to 49. The least expensive Sunday editions—and there are 33 of them—cost 25 cents.

Newspapers are becoming more aggressive in their circulation pricing because revenues from advertising are being squeezed by the recession and heightened competition from other media [**presstime**, April 1991, p. 6]. ☐

Newspaper prices exceed the CPI

Between January 1990 and January 1991, the average price of a U.S. newspaper rose 6 percent, slightly more than the 5.7-percent increase of the consumer price index, according to the Department of Labor's Bureau of Labor Statistics.

The previous year, the average price of a newspaper increased 4.4 percent, paralleling the CPI [**presstime**, May 1990, p. 68].

Price per single copy of Sunday newspapers—1990

	25 cents	35 cents	50 cents	75 cents	$1.00	$1.25	$1.50	Total[1]
Alabama	2	--	4	8	6	--	--	20
Alaska	--	--	2	--	1	1	--	4
Arizona	--	--	1	--	8	2	--	11
Arkansas	1	1	15	--	--	--	--	17
California	4	--	20	24	22	--	--	70
Colorado	--	--	3	6	1	--	--	10
Connecticut	--	--	--	1	3	5	1	11
Delaware	--	--	--	--	1	1	--	2
District of Columbia	--	--	--	--	--	1	--	1
Florida	--	--	17	9	6	3	--	35
Georgia	--	--	--	12	3	2	--	17
Hawaii	--	1	1	1	1	-	1	5
Idaho	--	--	3	1	4	2	--	10
Illinois	--	1	3	3	14	5	1	27
Indiana	--	--	--	3	11	7	--	21
Iowa	--	--	--	3	1	5	1	10
Kansas	--	--	7	6	3	1	--	17
Kentucky	--	--	--	5	4	2	--	12
Louisiana	1	1	6	10	2	1	--	21
Maine	--	--	--	--	1	1	--	2
Maryland	--	--	--	2	3	1	--	6
Massachusetts	--	--	--	2	3	7	2	14
Michigan	--	--	3	4	13	2	--	22
Minnesota	--	1	3	3	3	1	1	13
Mississippi	1	--	--	5	6	3	-	15
Missouri	1	--	3	6	5	2	--	18
Montana	--	--	--	2	2	2	1	7
Nebraska	--	1	3	1	1	1	--	7
Nevada	--	--	--	1	2	1	--	4
New Hampshire	--	--	--	--	3	1	--	4
New Jersey	1	--	5	6	2	3	--	17
New Mexico	--	1	3	3	6	--	--	13
New York	--	--	2	2	13	21	1	40
North Carolina	--	--	7	14	9	2	--	32
North Dakota	--	--	1	2	1	3	--	7
Ohio	--	--	2	14	13	4	--	34
Oklahoma	9	1	17	10	2	--	--	40
Oregon	--	1	--	5	4	--	--	10
Pennsylvania	--	--	2	8	13	4	1	29
Rhode Island	--	--	1	--	1	--	1	3
South Carolina	--	--	1	6	6	--	--	13
South Dakota	--	--	1	--	1	2	--	4
Tennessee	1	--	2	1	8	4	--	16
Texas	12	2	26	27	20	1	--	88
Utah	--	--	--	2	3	1	--	6
Vermont	--	--	--	--	--	3	--	3
Virginia	--	--	2	7	4	3	--	16
Washington	--	--	2	3	7	3	--	15
West Virginia	--	--	--	5	5	1	--	11
Wisconsin	--	--	1	1	4	8	1	15
Wyoming	--	--	3	--	1	--	--	4
Totals								
U.S.	33	11	172	234	256	123	12	849
Canada	--	2	9	4	--	2	--	21
American Samoa	--	--	--	--	--	--	--	0
Bahamas	--	--	--	--	--	--	--	0
Bermuda	--	--	--	--	--	--	--	0
Guam	--	--	--	1	--	--	--	1
Puerto Rico	--	--	1	2	--	--	--	3
Virgin Islands	--	--	--	--	--	--	--	0
Grand Totals	33	13	182	241	256	125	12	874

---

[1] Includes newspapers selling for 30 cents (one each in Minnesota and Missouri), 40 cents (one in Kentucky), 55 cents (one in Canada), 60 cents (one in Ohio and three in Canada), 65 cents (one in Oklahoma), 70 cents (one in New York), 85 cents (one in Connecticut), and 90 cents (one in Pennsylvania)

Price per single copy of daily newspapers—1990

	15 cents	20 cents	25 cents	30 cents	35 cents	40 cents	50 cents	Total[1]
Alabama	--	2	20	--	2	--	3	27
Alaska	--	--	2	--	1	--	4	7
Arizona	1	--	--	--	15	--	4	20
Arkansas	--	--	17	--	14	--	1	32
California	--	--	97	--	18	--	5	120
Colorado	--	1	19	--	5	--	--	25
Connecticut	--	--	1	3	12	--	5	21
Delaware	--	--	--	--	2	--	--	2
District of Columbia	--	--	2	--	--	--	--	2
Florida	--	--	33	--	9	--	1	43
Georgia	--	--	28	--	6	--	1	35
Hawaii	--	--	1	--	3	2	--	6
Idaho	--	--	3	--	6	--	3	12
Illinois	--	2	11	5	48	1	3	70
Indiana	--	--	16	2	53	--	2	73
Iowa	--	--	4	--	25	2	6	37
Kansas	2	1	24	1	18	--	--	46
Kentucky	--	--	3	--	16	--	4	23
Louisiana	--	--	14	1	12	--	1	28
Maine	--	--	--	--	3	2	3	8
Maryland	--	--	10	--	5	--	--	15
Massachusetts	--	--	2	4	32	1	2	41
Michigan	--	--	16	3	32	--	1	52
Minnesota	--	--	1	1	20	--	3	25
Mississippi	--	1	10	--	7	--	4	22
Missouri	--	--	15	3	23	--	3	44
Montana	--	--	--	--	8	--	3	11
Nebraska	--	--	9	--	11	--	--	20
Nevada	--	--	4	--	3	--	1	8
New Hampshire	--	--	--	1	5	3	--	9
New Jersey	--	--	15	2	6	--	--	23
New Mexico	--	--	11	--	6	--	1	18
New York	--	--	1	6	59	3	3	73
North Carolina	2	--	44	--	7	--	--	53
North Dakota	--	--	--	--	6	--	4	10
Ohio	--	--	20	10	47	--	9	86
Oklahoma	--	--	33	--	13	--	2	48
Oregon	--	--	1	--	17	--	1	19
Pennsylvania	2	--	14	15	60	--	--	91
Rhode Island	--	--	--	--	4	--	2	6
South Carolina	--	--	14	--	--	--	3	17
South Dakota	--	--	9	1	--	3	1	14
Tennessee	--	--	12	--	16	--	--	28
Texas	--	--	78	1	16	--	2	97
Utah	--	--	--	--	2	--	4	6
Vermont	--	--	--	2	6	--	--	8
Virginia	--	--	24	--	9	--	1	34
Washington	--	--	4	--	12	--	9	25
West Virginia	1	1	5	2	14	--	--	23
Wisconsin	--	--	1	1	23	--	11	36
Wyoming	--	--	8	--	2	--	--	10
Totals								
U.S.	8	8	658	64	742	17	111	1,609
Canada	--	1	4	1	22	23	43	109
American Samoa	--	--	--	--	1	--	--	1
Bahamas	--	--	--	1	--	--	--	1
Bermuda	--	--	--	--	--	1	--	1
Guam	--	--	--	--	--	--	1	1
Puerto Rico	--	--	3	1	--	--	--	4
Virgin Islands	--	--	--	--	--	1	--	1
Grand Totals	8	9	665	67	765	42	155	1,727

---

[1] Includes newspapers selling at 45 cents (seven in Canada), 55 cents (three in Canada), 60 cents (three in Canada), and 75 cents (one in New York and two in Canada)

Adult carriers gain in Canada

As in the United States but on a more gradual basis, daily newspapers in Canada are decreasing their reliance on youth carriers, according to the International Circulation Managers Association.

In 1980, youth carriers made up 98.5 percent, or 185,203, of Canada's newspaper-carrier force of 188,040, while in 1990 they accounted for 87.2 percent, or 81,051, of the total force that has dropped overall to 92,943. During the same period, youth carriers at U.S. dailies declined from 90 percent to 66 percent of the total [**presstime**, April 1991].

The number of Canadian adult carriers went from 2,837 (1.5 percent) in 1980 to 11,892 (13 percent) in 1990.

The 1990 ICMA data were accumulated and extrapolated from 43 of Canada's 109 daily newspapers. The 1980 figures were from a University of Missouri School of Journalism study conducted by Joseph B. Forsee, now ICMA's executive director. ☐

Penetration challenge

The Daily Record of Wooster, Ohio, and The Express of Lock Haven, Pa., are locked in battle over which achieves the nation's highest rate of household penetration among evening newspapers.

The International Circulation Managers Association recently recognized the Wooster daily as the p.m. leader in penetration (ratio of circulation to households). Its rate was 105 percent. The Express was second with 99 percent.

The Express ran a full-page ad issuing this challenge: "Don't get complacent. You won't be No. 1 very long."

The Record responded with its own ad accepting the challenge and promising to award prizes to the Express if it prevails.

The competition will be decided based on data from the Audit Bureau of Circulations for the six-month reporting period ending Sept. 30 of this year. ☐

Correction

A **presstime** chart about trends in newspaper circulation prices from 1980 to 1990, published in the April issue, contained several incorrect figures. The average percentage change in single-copy prices was 55.2 percent for 98 dailies (not 54.6 percent for 99 dailies). The monthly subscription price went up an average of 71.2 percent for 74 newspapers (not 69.5 percent for 78 newspapers). **Presstime** regrets the errors. ☐

NOTE

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June 1991

presstime

The Journal of the American Newspaper Publishers Association

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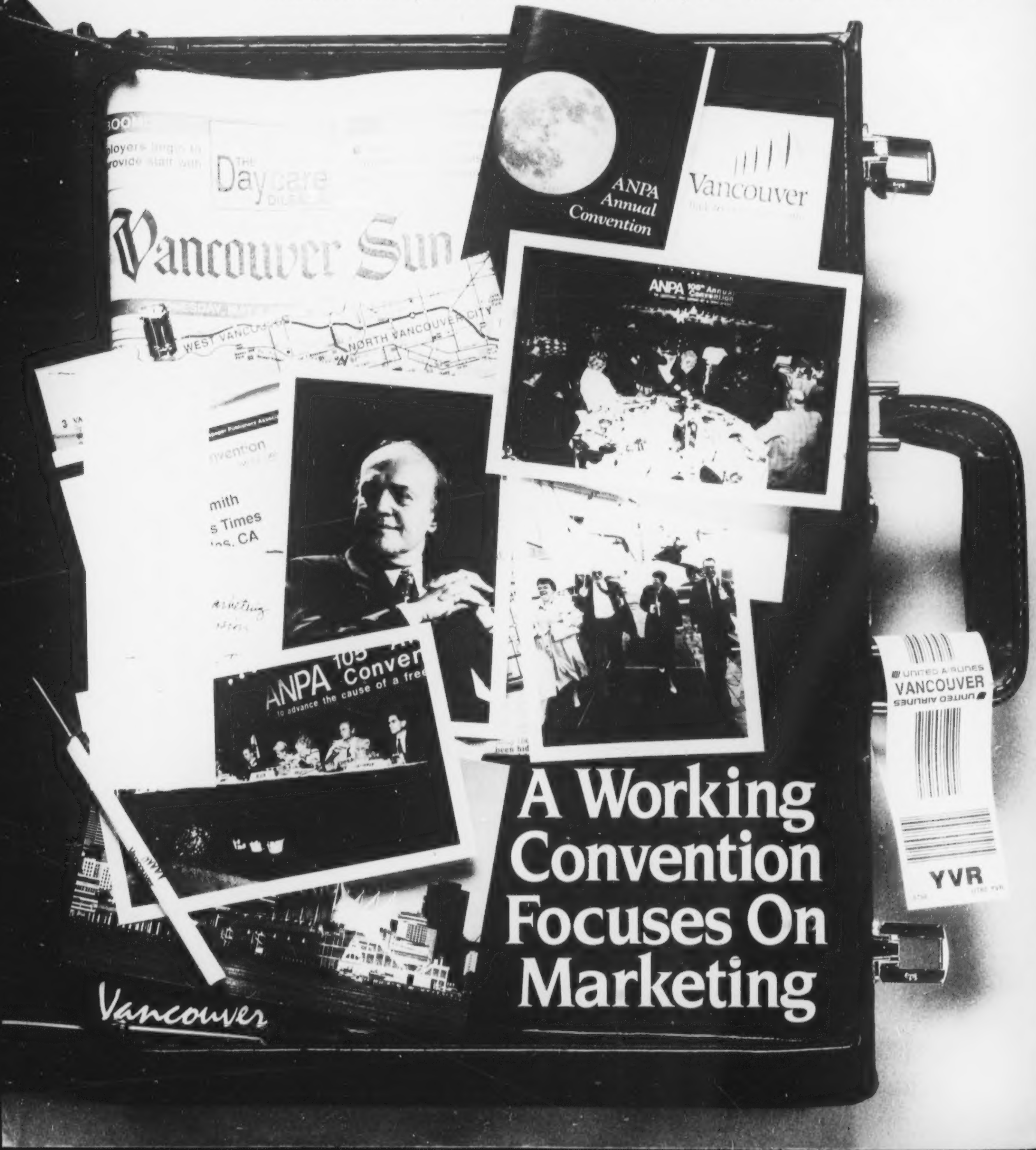
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A Working Convention Focuses On Marketing

presstime

JUNE 1991 VOLUME 13, NUMBER 6

28 Convention Report *The near-constant rain provided an apt climate for a Convention focused on bleak times. "Reinventing How Newspapers Go To Market" was the all-business theme for ANPA's 105th annual Convention in Vancouver, British Columbia. Despite poor prognoses for the traditional mass market and the retail industry upon which newspapers have depended, program sessions were empowering: They showed what newspapers can do to increase their appeal to readers and advertisers.*

8 Merger fallout *The vendor acquisitions of the '80s are having their effects in the '90s, including some scuttled projects and fewer equipment choices.*

16 Packing for vacation *Summer is at hand. And some newspapers are offering special deals to keep vacationers on their subscriber rolls.*

20 On-the-job training *Journalists and other German newspaper employees are apprentices before becoming full-fledged staffers. Is this a model system?*

58 Get with the program *Vanity Fair's top editor says newspapers should stop imitating television and be sources of relevant, hard-hitting information.*

62 Profile: Susan L. Whitlock *With American industry confronted by environmental challenges, her job has evolved into a new newspaper specialty.*

64 Essay: Post-slump growth *Consultant Christine Urban continues her explanation of how newspapers can overcome the recession—by growing.*

66 Lingering RMI *Repetitive motion injuries that are afflicting many computer users at newspapers have historical antecedents dating back centuries.*

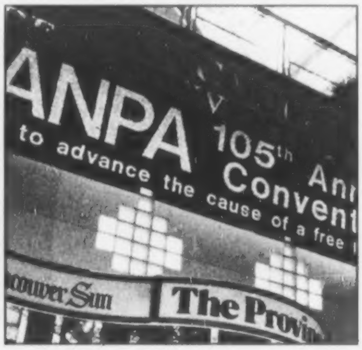
72 Readership innovations *Halfway through its catalog of newspaper strategies, New Directions for News says targeting of readers can be tricky.*

79 ANPA/TEC '91 *This program and list of exhibitors will help guide you through the Technical Exposition and Conference June 8-12 in Las Vegas.*

96 Best in the West *A majority of U.S. daily and Sunday papers showed circulation increases in the recent auditing period. The West leads the way.*

101 Revenue search *A state-sponsored tax research group is looking at ways to mine millions of dollars from newspaper and other print companies.*

Vendor mergers, p. 8



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(Cover photo by Lightscapes.)

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CHAIRMAN'S CORNER

We're on our way to increased efficiency and effectiveness

Those of you who were able to be at the ANPA Convention last month will recall Paddy Sherman's references to Vancouver as a "little clearing in the rain forest." Recently I have come to think of the space in which this column will appear as my little clearing in **presstime**. As the days passed with the column still unwritten, it grew in my mind's eye from a small, uncluttered rectangle of white space to a gaping black hole, waiting somewhat impatiently to be filled. Here goes.

Robert F. Erburu

First, a few words about Cathie Black. As you know, Cathie will be taking over as president and CEO of ANPA later this month. In my view, and the view of everyone I spoke with in Vancouver, we are extremely fortunate to have her in this position. She is a bold, dynamic leader with a personal style that is just what ANPA needs at this juncture. Frank Bennack and his search committee did their job well. A word of thanks to them. And to you, Cathie, welcome!

Now to the main topic I want to address: the organizational changes facing ANPA, the Newspaper Advertising Bureau and our other marketing associations. These changes are well under way now, and I want to urge all of you to get behind the effort.

When Booz • Allen & Hamilton issued its initial recommendations a number of months ago, the central message was clear. We were told in no uncertain terms that we needed to pay attention to increasing the effectiveness of ANPA and NAB. In March, in this very space, Lloyd Schermer aptly described the ANPA Board's approval of the Booz • Allen recommendations as "a watershed for our industry." Today, we must focus on implementation. Planning is under way for a joint newspaper administrative center, which will perform functions ranging from internal accounting to dues collection. The leadership of ANPA and NAB have opened new lines of communication and formed working committees to begin striving in a practical way to establish a closer partnership that will strengthen both organizations. A joint schedule of board and executive committee meetings has been hammered out, to enable ANPA and NAB to share ideas and goals, to work together.

Change is rarely easy because it disrupts routine, and routine lends order to our lives. But like the seasons, change is inevitable, and we must steer our own course or be towed along in the wake. The changes now in progress are the result of extensive research and analysis. We have done our homework, and we should proceed with confidence. This is an effort that will pay off for all of us. And not just in revenues. Let's not forget, as we reshape these organizations, that efficiency and cost-effectiveness are only means to an end. The real goal is excellence throughout our newspapers, in all of their departments and in all phases of their operations.

Finally, let me say something about togetherness. This reorganization will take some time, and there will be some differences of opinion about exactly how we should get from here to there. We should not be afraid of healthy debate, but we must guard against divisiveness. Just as vigorous debate will help us make better decisions, Balkanization will defeat us. We should remember that, ultimately, we must be able to speak with a unified voice.

I have no doubt that we will do just that.

Robert F. Erburu

Robert F. Erburu
ANPA Chairman

Capital spending could be on a par with '88 record

Newspaper publishers this year may match their all-time record for capital expenditures.

Newspapers responding to ANPA's annual survey of capital expenditures plan to spend nearly $1.6 billion on equipment and newspaper plants and construction this year, up from expenditures of nearly $1.2 billion in 1990 and nearly $1.5 billion in 1989.

Though fluctuating response rates make direct annual comparisons imprecise, if the projections prove correct, 1991 spending will be on a par with the record $1,577,569,111 spent in 1988.

Spending on presses, new construction and front-end systems is projected to account for the bulk of the purchases.

Each year the survey is sent to the 1,100 newspaper plants that print ANPA-member newspapers. The latest questionnaire received 424 responses—406 from the United States and 18 from Canada—compared with 440 and 465 in 1990 and 1989, respectively.

Survey respondents spent $335.7 million on plant expansion and modernization in 1990 and plan to increase that amount to $502.6 million this year. In 1989, newspapers spent $439.5 million in that area.

The amount spent on telecommunications equipment is slated to nearly double, from $3.4 million in 1990 to $6.5 million. This year's projections and last year's expenditures pale, however, when compared with newspapers' telecommunications expenditures of $21.1 million in 1988 and $14.9 million in 1989.

Other new equipment purchases—from editorial systems to presses to motor vehicles—are expected to be just over $1 billion this year. Those expenses totaled $851.4 million in 1990. Newspapers spent $1 billion on new equipment in 1989 and $974.6 million in that category in 1988.

A closer examination reveals:

- Spending for pressrooms may show a 25-percent increase from 1990 to 1991. For this year, newspapers expect to spend $631.1 million, the highest category of expenditures. This compares with $506.2 million in 1990 and $397.8 million in 1989.
- Projections call for new construction spending of $355.1 million. That would be an increase of 62 percent from 1990 expenditures, when newspapers spent $218.1 million on new building construction. In 1989, the figure was $170.4 million.
- Spending for additions to existing buildings is projected to decline for the third straight year—dropping to $46.9 million, down from $59.4 million in '90 and $100.9 million in '89.
- Purchases of front-end computer systems are expected to increase 51 percent in 1991 to $93.8 million, up from $62.1 million. However, in 1989, newspapers spent $114 million in this category.
- Projected 1991 expenditures for personal computers are $17.1 million, little changed from 1990 and 1989.
- Spending on mailroom equipment should rebound in 1991, to about $114.4 million. Such spending was $70 million last year and $135.6 million a year earlier.
- Spending for color scanners and related equipment is projected to rise to $13.2 million, up from $8 million last year but still below the $19.1 million spent in 1989.
- Waste ink reclamation equipment purchases also are expected to increase this year, to $1.7 million. Newspapers spent $607,100 in that area in 1990, less than half of the $1.5 million spent in 1989.

In the "other" category of miscellaneous expenditures, they project spending of $23.1 million this year, compared with $21 million and $63 million in 1990 and 1989, respectively. Items in this grouping vary from gasoline tanks to newsprint recycling equipment to asbestos removal. ☐

Chart 1—1991 Estimates

Newspaper Plants Participating[1]	U.S. 406	Canada 18	Totals 424
Plant Expansion and Modernization			
New Building	$351,804,743	$3,335,090	$355,139,833
Addition to existing building and/or satellite building	44,882,452	2,000,000	46,882,452
Modernization of existing building	62,502,528	2,508,000	65,010,528
Additional land, parking, garage	35,027,646	560,000	35,587,646
Subtotal	$494,217,369	$8,403,090	$502,620,459
Telecommunications	6,518,811	0	6,518,811
New Equipment			
Computers (hardware and software)			
Front-end systems—editorial, classified, advertising	$88,774,608	$4,951,100	$93,725,708
Business—accounting, circulation	28,748,424	971,000	29,719,424
Personal computers	15,900,576	1,249,500	17,150,076
Library systems	3,754,681	25,000	3,779,681
Composing room	27,176,167	1,765,000	28,941,167
Camera—platemaking, editorial, photo department	18,557,368	555,500	19,112,868
Color scanners and color separation equipment	13,087,891	163,400	13,251,291
Pressroom	630,541,124	613,000	631,154,124
Mailroom	112,628,860	1,810,000	114,438,860
Newsprint handling and warehouse equipment	16,180,966	35,000	16,265,966
Energy, power and security management systems	8,859,533	181,800	9,041,333
New telephone and radio systems	9,649,682	151,000	9,800,682
Transportation—automobiles and trucks	26,156,815	392,500	26,549,315
New furniture and office equipment	19,480,374	1,871,600	21,351,974
Newspaper vending machines	9,887,556	868,700	10,756,256
Commercial or job printing equipment	1,336,066	0	1,336,066
Waste ink reclaiming equipment	1,608,776	0	1,608,776
Other	22,581,035	518,000	23,099,035
Subtotal	$1,054,910,502	$16,172,100	$1,071,082,602
Estimated Total Outlays	$1,555,646,682	$24,575,190	$1,580,221,872

Figures represent only those ANPA-member plants reporting and not all daily newspapers.

Chart 2—1990 Expenditures

Newspaper Plants Participating[1]	U.S. 406	Canada 18	Totals 424
Plant Expansion and Modernization			
New Building	$178,233,599	$39,918,401	$218,152,000
Addition to existing building and/or satellite building	58,181,985	1,176,661	59,358,646
Modernization of existing building	36,983,623	3,292,859	40,276,482
Additional land, parking, garage	17,870,554	0	17,870,554
Subtotal	$291,269,761	$44,387,921	$335,657,682
Telecommunications	3,357,402	0	3,357,402
New Equipment			
Computers (hardware and software)			
Front-end systems—editorial, classified, advertising	$58,228,447	$3,871,903	$62,100,350
Business—accounting, circulation	26,488,305	3,495,436	29,983,741
Personal computers	17,701,003	1,427,165	19,128,168
Library systems	3,170,644	33,614	3,204,258
Composing room	20,362,671	1,098,094	21,460,765
Camera—platemaking, editorial, photo department	13,662,720	722,115	14,384,835
Color scanners and color separation equipment	7,735,629	174,755	7,910,384
Pressroom	505,265,054	960,460	506,225,514
Mailroom	69,133,079	845,449	69,978,528
Newsprint handling and warehouse equipment	10,852,500	18,683	10,871,183
Energy, power and security management systems	3,489,210	904,896	4,394,106
New telephone and radio systems	14,145,938	2,596,322	16,742,260
Transportation—automobiles and trucks	27,287,302	1,610,512	28,897,814
New furniture and office equipment	18,639,862	2,557,767	21,197,629
Newspaper vending machines	9,934,552	1,381,555	11,316,107
Commercial or job printing equipment	2,132,300	103,370	2,235,670
Waste ink reclaiming equipment	605,100	2,000	607,100
Other	12,934,908	7,866,607	20,801,515
Subtotal	$821,769,224	$29,670,703	$851,439,927
Total Outlays	$1,116,396,387	$74,058,624	$1,190,455,011

Circulation rises at majority of U.S. dailies, with the Western region out front

Despite the lackluster national economy, most U.S. daily newspapers have increased circulation, according to an analysis by ANPA's Circulation and Readership Department.

Researchers compared the latest Audit Bureau of Circulations' "FAS-FAX" data for the six months ending March 31, 1991, with ABC's year-earlier report.

Fifty-three percent of the nation's 842 comparable daily newspapers gained circulation on weekdays, ANPA found.

Sunday (or weekend) editions did even better, with 62 percent of the 578 comparable editions growing.

Economic conditions were reflected in the fact that a smaller percentage grew than one year ago, when 62 percent of the daily and 70.5 percent of the Sunday papers showed increases.

The same situation affected penetration rates. Thirty-seven percent of the weekday and 38 percent of Sunday (or weekend) editions increased penetration in their primary market areas. Comparable figures from one year ago were 40 percent and 46 percent, respectively. (Penetration is the ratio of circulation to occupied households.)

Martin Casey, ANPA vice president/circulation and readership, said it is difficult to increase penetration rates. "Penetration loss is a result of declining reading frequency," he explained. "We have as many or more readers than ever before, but people generally are not reading newspapers as frequently as they once did."

For the first time, Casey's department analyzed the data by geographic region. Not surprisingly, more newspapers in the West were gainers in daily and Sunday circulation, followed by those in the South. There were fewer gains in the Midwest, and fewest in the Northeast.

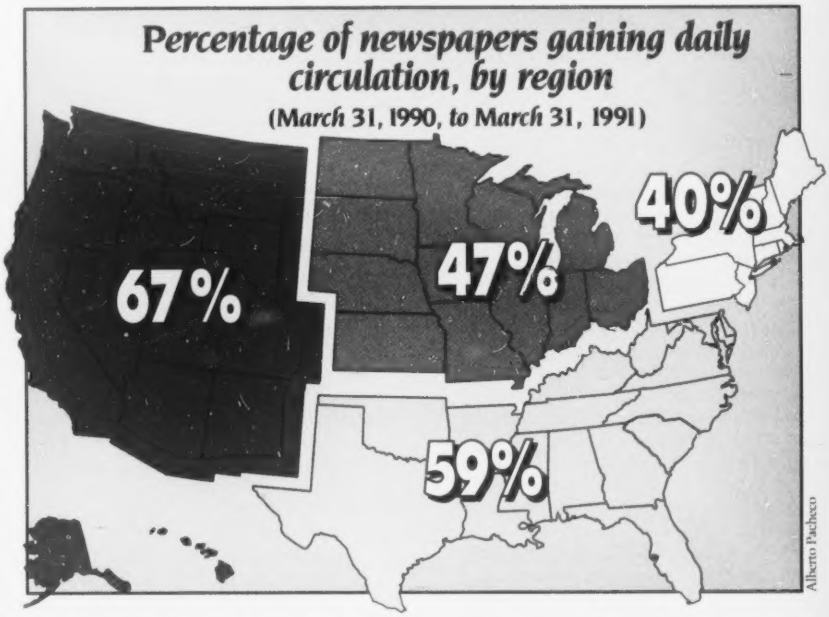
The accompanying map shows the percentage of newspapers that gained daily circulation, by region.

For Sunday editions, the percentages of newspapers that gained, by region, were: West, 73 percent; South, 62 percent; Midwest, 56 percent; and Northeast, 49 percent.

In the regional computation of penetration, papers in the West again led for weekday and Sunday with increases by 42 percent and 44 percent, respectively. Other totals were: South, 37 percent and 38 percent; Midwest, 41 percent and 36 percent; and Northeast, 32 percent and 40 percent.

Casey also made computations by circulation categories, as he had done for the previous FAS-FAX report [presstime, Dec. 1990, p. 48]. He found that mid-size newspapers generally showed more circulation gains than those in the smallest and largest groupings, as follows: Over 500,000—50 percent daily, 75 percent Sunday; 250,000 to 500,000—61 percent and 59 percent; 100,000 to 249,999—60 percent and 64 percent; 50,000 to 99,999—62 percent and 71 percent; 10,000 to 49,999—52 percent and 57 percent; and under 10,000—43 percent and 66 percent.

In terms of penetration, gainers by circulation category were: over 500,000—35 percent daily, 56 percent Sunday; 250,000 to 500,000—42 percent and 42 percent; 100,000 to 249,999—37 percent and 30 percent; 50,000 to 99,999—45 percent and 45 percent; 10,000 to 49,999—36 percent and 37 percent; and under 10,000—30 percent and 36 percent. ☐



Percentage of newspapers gaining daily circulation, by region

(March 31, 1990, to March 31, 1991)

Alberto Pacheco

Relaxation expected in rule on unrenewed subscriptions

Newspapers will be able to increase the number of unrenewed subscriptions that can be counted as paid circulation under a preliminary change approved by the Audit Bureau of Circulations' Board of Directors in May.

The ABC auditors have always permitted newspapers an allowance of 2 percent of unrenewed subscriptions. Those accounts can be carried for up to three months—and counted as paid circulation—if newspaper managers have a reasonable belief that the subscribers will eventually renew.

Under the proposed change, that allowance may be as much as 4 percent.

Another aspect of the change is that newspapers will be able to include first-time discount subscribers in the allowance. This was described as a major improvement by Robert W. Althaus, circulation director of the St. Petersburg Times and chairman of the International Circulation Managers Association-ABC Liaison Committee. That committee, along with the ANPA/Newspaper Advertising Bureau-ABC Liaison Committee, sought the change.

The ABC board gave the preliminary green light at its May 15-18 meeting and may grant final approval at its next meeting Aug. 13-16 in Quebec City.

The board also approved a rule allowing newspapers to publicize their paid circulation in categories such as ZIP codes, towns and counties, and to do so in comparison with their competitors' circulation statistics [presstime, April 1991, p. 48]. ☐

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July 1991

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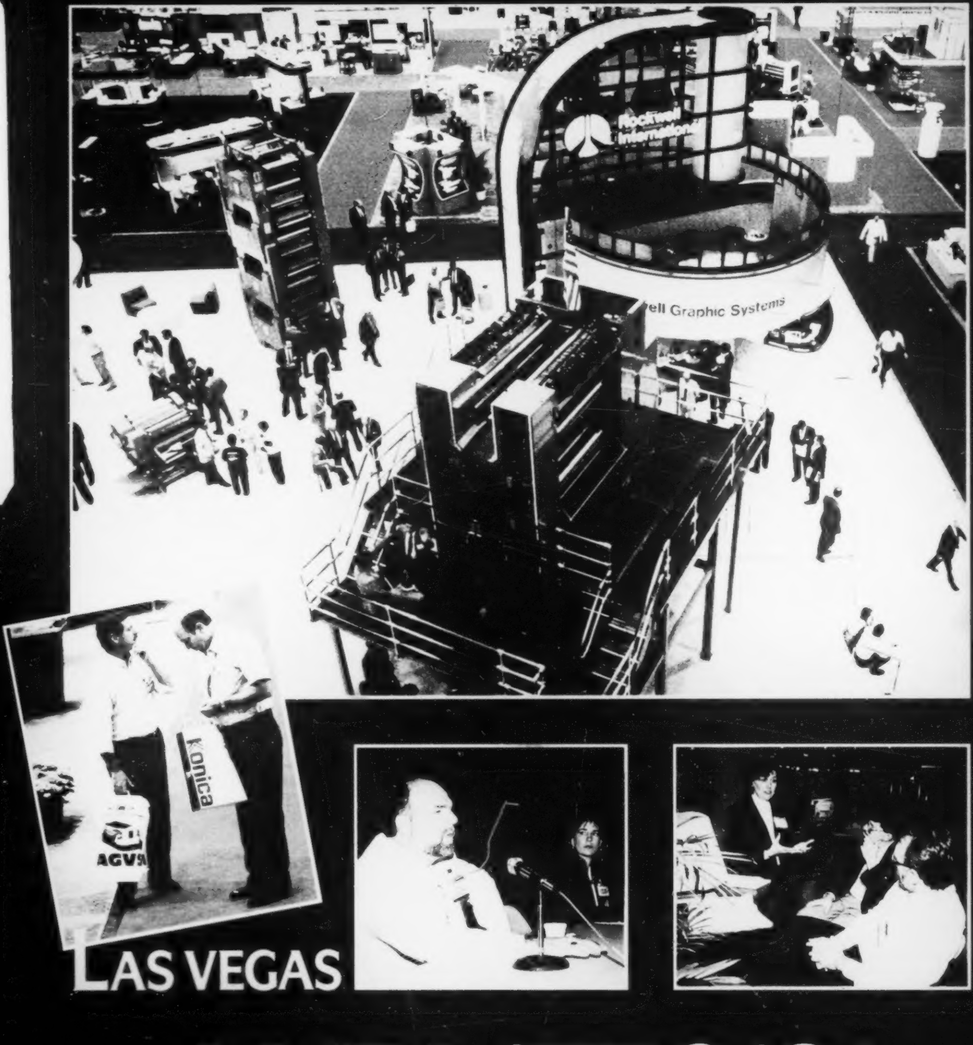
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ANPA/TEC '91

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JULY 1991 VOLUME 13, NUMBER 7

18 ANPA/TEC '91 Report *This year's Technical Exposition and Conference in Las Vegas revealed that the quest for integration of newspaper computer systems is beginning to bear fruit. Observers believe the overall technology of putting out newspapers is advancing faster because of new vendor partnerships. Pervading the 63rd annual ANPA trade show was a faith that technology can help newspapers meet the challenges posed by the Conference theme: "Managing in Tough Times: Positioning for the Future."*

6 Right is right *As newspapers try new ways to improve accuracy, there is division on whether to correct every error that still manages to slip through.*

10 You make the call *Newspaper executives say that setting up telephone-based audiotex services is not all that complicated.*

14 The education paper *Black South Africans turn to The Star of Johannesburg as one tool for self-education during chaotic times.*

44 Embraceable idea *To gain an edge, papers need to invest prudently in quality, service and people, says a Thomson Newspapers executive.*

46 Profile: Leslie A. Mardenborough *This human resources executive blends leadership, inspiration and community work in her life and career.*

47 Essay: Reaching out *"What do readers want?" is not a compromising question, says Jean Otto of the Rocky Mountain News in Denver.*

48 On notice *The U.S. Supreme Court says publications can be sued for breaking promises of confidentiality or making up defamatory quotes.*

50 Adult ed *The Commercial Appeal in Memphis is turning the newsroom into a classroom, with seminars on economics and finance for the staff.*

51 Rate this job *Most journalists are satisfied with their chosen career, but Black and White reporters are divided on the role of race in the newsroom.*

53 Linking branches *The Newspaper Satellite Network is branching out with live video conferences between distant offices of a media company.*

54 Line at the bottom *Once again, newspapers failed to seek suggestions on cost-cutting before layoffs, The Newspaper Guild's president says.*

Accuracy, Accuracy, Accuracy, p. 6

ANPA/TEC Report, p. 18
(Cover photos by John Harrington, Wes Bernard and Maurice Fliess.)

Launching Audiotex Services, p. 10

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CHAIRMAN'S CORNER

ANPA/TEC exhibitors, attendees shape tomorrow's newspapers

I have been to the ANPA Technical Exposition and Conference many times, but this year was something special for me. For the first time, I saw the show through the eyes of the ANPA chairman, and I was even more impressed than usual with how vital a role ANPA/TEC plays in the development of the American newspaper.

The exhibitors tend to measure the success of ANPA/TEC in various sets of numbers. Volume of traffic. Orders placed. And that is as it should be. But there is much more to ANPA/TEC than marketing. The 10,820 people who wandered among the exhibits last month in Las Vegas were involved in a vibrant exchange of ideas that benefits the entire newspaper industry.

There had been indications as ANPA/TEC '91 approached that the expense of the show was weighing more heavily on the minds of some exhibitors this year than in years past. This led several ANPA directors to conclude that it was important to have special contact with the exhibitors once they arrived in Las Vegas, to hear what they had to say about the show and its future, and to express in some small way our appreciation for their presence. So Cathie Black (in her first week on the job as ANPA president and chief executive officer) and Directors Frank Bennack, Don Newhouse, Joe Hladky and I collectively spent a number of hours on the Exposition floor, visiting with vendors.

Robert F. Erburu

I was prepared for some grumbling, but, surprisingly, much of what we heard was positive. Yes, attendance was down 30 percent. Yet time and again we heard the more upbeat comment that those who had braved the economic tide to attend the show were serious about their purpose for being there.

Earlier that third day of the show I had delivered a short keynote address. I spoke of the newspaper of the future and of the need to concentrate our efforts, resources and imaginations on developing new methods of delivering information to our customers. Audiotex, videotex, facsimile and cellular technology, fiber optics—this is merely the beginning of a list that goes on and on. And there, on the exhibit floor, I could see the list growing. The attendees were seeing and hearing what the vendors had to offer, and the vendors were seeing and hearing what the attendees were seeking. Communicating and learning, one from the other. It is a process that produces the technology of next year and the newspaper of the next century.

That is what ANPA/TEC is about. Ideas. Creating them, molding them, exchanging them, nurturing the ones that work and purging those that don't.

The Arrangements Committee and the ANPA staff did a splendid planning job for this year's 63rd annual ANPA/TEC. But the real heroes were the exhibitors and the attendees. It is their mutual commitment that gives all of us in the newspaper industry this wonderful forum for improving our production operations while developing the newspaper of the future.

See you next year in Atlanta.

Robert F. Erburu

Robert F. Erburu
ANPA Chairman

Pagination answers shed light

A survey of the nation's largest newspapers reveals ambitious plans: Nearly half of the respondents said they plan to acquire fully automated pagination systems during the next five years.

About 60 percent are *already* performing some type of pagination or electronic page composition, according to the study conducted jointly by The Bakersfield Californian and ANPA.

Survey respondents also said:

- 4.3 percent are paginating some news pages or sections of the newspaper on a daily basis.
- 3.4 percent paginate special projects.
- Classified advertising is paginated at 12 percent of the participating newspapers.
- Two newspapers report 100-percent pagination.

The survey was analyzed by Peggy Bair, ANPA manager/computer applications, and released to ANPA/TEC '91 vendors in Las Vegas.

It helps answer the nagging question, "What exactly is pagination?" In the past, technical experts have said, only half jokingly, that there are as many definitions of pagination as there are people offering them.

However, more than 64 percent of the survey respondents replied that pagination requires the digital composition of all page elements for camera-ready output or output on film. Second, they said pagination systems should manage the flow of work and copy with two-way communication.

In contrast, less than 5 percent of the respondents selected the most simplistic definition, one describing pagination as the digital composition of text combined with manual stripping of all other page elements.

The Bakersfield daily sponsored the survey to help with its own equipment purchasing decisions and to collect industry views on the course of pagination [**presstime**, May 1991, p. 78].

Bakersfield executives surveyed ANPA-member newspapers with circulation of 25,000 or more. A total of 735 surveys were sent to production managers, managing editors and pre-press supervisors. The response rate was 32 percent.

The Californian's Bob Johnson, director/corporate communications, said the results are being studied carefully.

"I know there are people who say pagination is here now, but this survey shows the majority of us believe it is still five to 10 years down the road. I also believe the survey indicates there is a great deal of confusion out there. There are a lot of newspapers that are hesitant about which direction to take and which equipment they should buy."

Newspapers are implementing pagination programs in order to address quality issues.

ANPA's Bair said the survey shows that "different newspapers have different needs. That is why there is no consensus about what is best. For example, some newspapers believe a central database is needed to control all functions, while others say a system of databases is preferable."

Indeed, one respondent wrote, "We are still struggling with the technology and the philosophy of pagination."

Another wrote: "My five-year estimate is an ideal. Much will depend on the platforms (hardware) available and the diligence with which vendors address the problems. The Macintosh platform seems to be a good bet, but software still has a way to go and total integration and speed have a long way to go. We will watch and test. Maybe (we'll) back into it with area pagination."

Johnson noted that responses varied depending on a newspaper's size. For example, 24.4 percent of the executives from newspapers with circulation of 25,000 to 50,000 said pagination will be accomplished using personal computers or workstations, compared with 13.2 percent of the executives from newspapers with circulation of 250,000 or more.

When asked whether both PCs and mainframe computers will be needed, nearly

Bakersfield Californian/ANPA pagination survey

When do you plan to integrate pagination, and to what degree?

Daily circulation	25% paginated	50% paginated	75% paginated	Fully paginated
25,000-50,000				
a. Now	21.4	17.9	28.6	14.3
b. Within 5 years	12.9	12.9	35.5	35.5
c. Before 2000			21.1	47.4
d. After 2000			12.5	87.5
50,001-100,000				
a. Now	35.7	11.9	14.3	21.4
b. Within 5 years	4.1	22.4	26.5	46.9
c. Before 2000		13.3	33.3	53.3
d. After 2000			27.3	72.7
100,001-250,000				
a. Now	41.7	8.3	25.0	8.3
b. Within 5 years	7.0	24.6	12.3	54.4
c. Before 2000			28.6	71.4
d. After 2000				100.0
Over 250,000				
a. Now	34.5	10.3	17.2	20.7
b. Within 5 years	8.8	23.5	17.6	50.0
c. Before 2000		7.7	23.1	69.2
d. After 2000			25.0	75.0
All groups				
a. Now	34.1	11.9	20.7	16.3
b. Within 5 years	7.6	21.6	21.6	48.0
c. Before 2000		13.3	27.7	59.9
d. After 2000			14.7	85.3

Note: Percentages for the degrees of pagination do not total 100 because some respondents said they could not speculate how their pagination programs would unfold.

71 percent of the respondents from publications with circulation of 25,000 to 50,000 said "yes," compared with nearly 87 percent of those with circulation of 250,000 or more.

The majority of responding newspaper executives, 68.3 percent, said they will need to upgrade existing equipment and add new equipment. About 26 percent said they would need to replace existing equipment totally. Modification of existing equipment will be required in 5.3 percent of the newspapers.

As for integrating equipment, 24 percent said vendors and in-house employees will share the task equally, while 9.8 percent will use outside consultants to some extent, 7.2 percent will use only vendors and 1.5 percent will accomplish integration in-house.

Asked whether they believe pagination technology "is advanced enough at the present time to paginate efficiently, considering cost," 49 percent of the respondents said "yes" and 51 percent said "no."

The newspaper executives were also asked about the hardware they are using. Cited most often was Apple Computer's Macintosh, used by 32.9 percent of the respondents. Some 39 percent of the Mac users have QuarkXPress page-makeup software.

Other vendors were: Atex Publishing Systems, 21.4 percent; Harris Corp. and System Integrators Inc., each with 20 percent; Camex, 12.1 percent; and Information International Inc., 9.3 percent.

Vendors mentioned by less than 10 percent of the respondents were Hastech Inc., Dewar Information Systems Inc., Scitex America Corp., Digital Equipment Corp., CText Inc. and Composition Systems Inc.

While only 45 percent of the respondents said page composition is done in the newsroom, 84 percent plan to move it there in the future.

Typesetters driven by Adobe Systems Inc.'s PostScript software are used by 9.4 percent of the respondents. Another 65 percent use proprietary typesetters. About 26 percent are using both proprietary and PostScript-driven imagesetters.

At present, only 15 percent paginate halftones, but 95 percent plan to implement that step in the future. For color photographs, nearly 11 percent paginate them and 88 percent plan to do so.

H. Wilson Cunningham, ANPA vice president/technical research, noted that this was the first study of its kind. It confirmed long-held suspicions that newspapers are not implementing pagination to achieve savings in terms of money, time or staffing, but rather to improve quality, he said.

For more information about the survey, contact Bair at The Newspaper Center in Reston, Va., (703) 648-1129. For a free copy call (703) 648-1179. *—Rosalind C. Truitt*

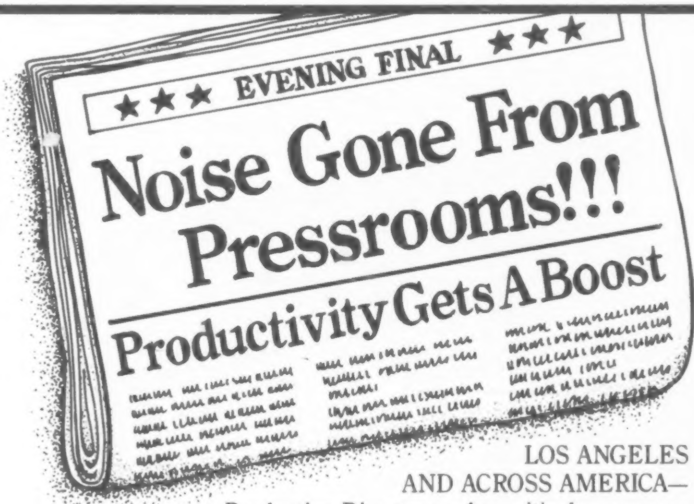
Lamb Grays Harbor sues

Lamb Grays Harbor Co. filed a suit in Washington State Superior Court against the Harland Simon Group and its U.S. subsidiaries, Harland Simon USA and Harland Simon Automation Systems Inc.

Lamb alleges that Harland Simon unilaterally terminated a 1989 joint venture to produce automatic guided vehicles and also misappropriated Lamb trade secrets.

Lamb manufactures AGVs, and Harland Simon develops equipment management and control software.

Harland Simon said it is "vigorously defending" the allegations, adding that they are "without foundation." ☐



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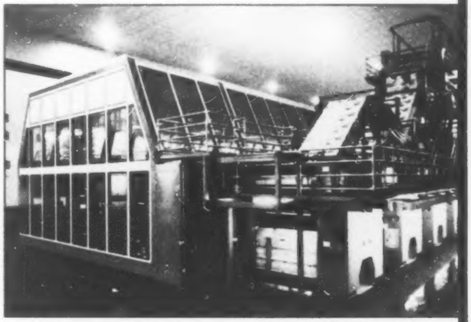
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Papers Search For Right Mix of Legal Counsel

September 1991

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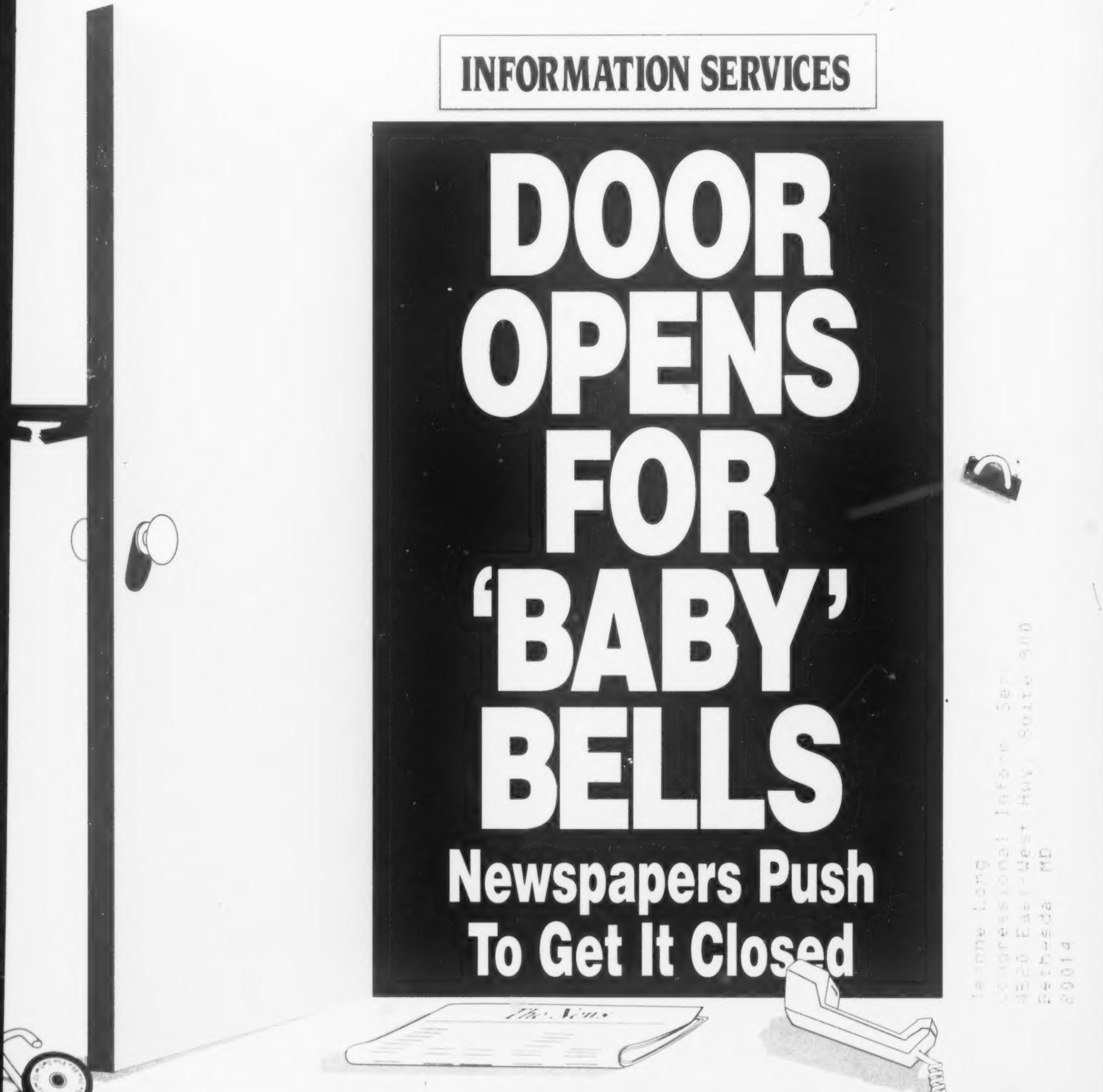
The Journal of the American Newspaper Publishers Association

INFORMATION SERVICES

DOOR OPENS FOR 'BABY' BELLS

Newspapers Push To Get It Closed



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SEPTEMBER 1991 VOLUME 13, NUMBER 9

16 **Special Report** *The regional Bell operating companies have been given the "Greene light" to enter the information services marketplace, but the struggle continues in several venues: in the courts, as appeals of Judge Harold H. Greene's ruling are planned and the RBOCs seek to lift his stay of the decision; legislatively, as newspapers and their allies try to persuade Congress to impose limits on the Bells; and on the business side, as newspapers ponder if and how they can form equitable partnerships with them.*

6 **The lawyer is in** *Some newspapers find that bringing lawyers on staff makes legal and economic sense, but outside firms still serve many needs.*

12 **Seeding plants** *When papers consider building remote printing facilities, several factors are crucial: site selection, and access to highways and rail lines.*

22 **Targeting with comics** *Editors used to select comic strips based on their own tastes. Not any more. Not if they want to reach particular reader segments.*

24 **Newspapers' sergeants** *Some papers are radically altering the role of their circulation district managers to the betterment of the job and customer service.*

27 **Essay: Bills and no frills** *A university dean says student loan debts may be a hindrance to graduates' acceptance of entry-level newspaper jobs.*

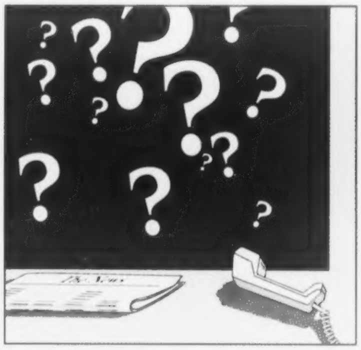
28 **Profile: Cathy Henkel** *Driven by ambition over a rather circuitous route, this coach's daughter is now one of about a dozen female sports editors.*

38 **Pay trends** *The 1991 ANPA compensation survey shows that while management base salaries increased again, they did so at the lowest rates in years.*

48 **NMA advances** *A detailed proposal for combining seven newspaper trade groups into one marketing association is completed and now faces scrutiny.*

Insert: Choosing the future *Visit The Waterloo Appeal and eavesdrop as top executives decide a strategic course: mass, class, individual or direct.*

In-house Lawyers, p. 6



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(Cover by Alberto Pacheco, Charlene Gridley.)

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Censorship rules in Mideast

Seven daily newspapers are now sold on the streets of Kuwait City after surviving a publisher's nightmare: Many of their presses were stolen by the occupying Iraqi army. The Iraqis left only two of seven large presses, and those were in disrepair.

Al Qabas is probably the largest daily now being published, with an initial press run of 20,000 and usually consisting of 18 pages. Before the Persian Gulf War, it ran about 28 daily pages and had an international circulation as high as 60,000, according to Kuwait Embassy Press Attache Raed al-Rifai.

Published in London during the war, Al Qabas was "practically taken over" by Kuwaiti officials in exile, according to Aziz Abu-Hamad of Middle East Watch in New York City. The owners had to ask for rights to the name back, he said. Printing has resumed in Kuwait.

Since the war's end, the Iraqi government has launched two new dailies to "affirm its presence in Baghdad," according to Said Essoulami, a researcher with a London organization known as Article 19, International Centre on Censorship.

Human rights activists had anticipated a freer Kuwaiti press after the war. Those aspirations evaporated when the government issued a new press law, yet "conveniently failed" to repeal a 1986 regulation requiring prior censorship, explained Abu-Hamad of Middle East Watch. Also chilling was the life imprisonment of six journalists for working for an Iraqi occupation paper.

Throughout the Middle East, either outright censorship by the government or self-censorship remains the rule after the wartime disruptions, said William A. Rugh of the U.S. Information Agency and author of *The Arab Press*, published in 1987.

Hamid Mowlana, an international communications professor at American University in Washington, D.C., said the war has significantly changed the content of Middle Eastern papers. Regional papers have become "forums for discussion of Persian Gulf security, the role of foreign powers, Arab-Israeli conflict, the Islamic movement and, of course, the future political and economic restructuring of Iraq," he said. Formerly, they had been "tuned to regional problems."

During the war, several Middle Eastern papers provided "excellent" coverage, Mowlana said, citing particularly some in Jordan, Turkey and Iran where governments were not directly involved in the war. Iranian journalists "gave wide coverage to operations in the south and north of Iraq. They were not only getting reports from their own correspondents, but because of close proximity to the combat were able to publish reports faster than the Western press."

Essoulami of the Article 19 censorship-monitoring organization reported that the Jordanian press has become "very open, and very critical, not only of the war but also of (that country's) situation."

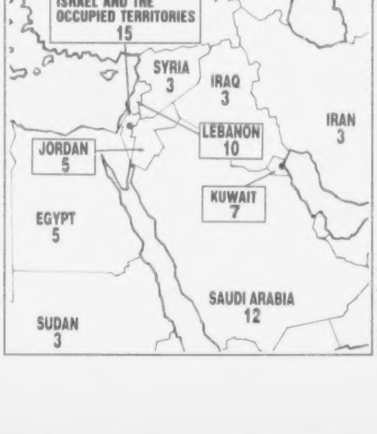
Local reporters in Saudi Arabia, Bahrain, Qatar and the United Arab Emirates, operating under "fairly careful control," became "energized by crisis, with reporters adopting a more assertive style," said the USIA's Rugh. Sales of some regional newspapers soared.

Saudi censors were challenged by "how to control what was coming in from the armies," said Essoulami. Thus, Saudi Arabia is now "relatively open" to news. "The regime is taking this seriously." Article 19 recently released *Information, Freedom and Censorship, World Report 1991*, documenting the extent of censorship in the region and elsewhere.

Mowlana of American University said that along with bomb shells, Western troops left behind publications that will "spread across the desert for years." In addition, the foreign correspondents stationed there influenced local reporters, he said.

But Rugh said Middle Eastern society is more affected by "ideas from other Arab countries. They've been able to cope with Western ideas in a more relaxed manner." For example, when Kuwaiti women drove cars into Saudi Arabia during the war, leaving their husbands behind, it encouraged Saudi women to want to drive. "I can't think of a corresponding cultural or social impact, even though we had thousands of Western women in Saudi," he said. *—Nancy M. Davis*

Daily newspapers in some Middle Eastern countries



USIA, Article 19

USPS proposes discount for TMC mailers

The U.S. Postal Service built a bridge over some roiling waters Aug. 9 when it proposed the "125-piece, walk-sequence" discount rate for third-class mail. ANPA and many newspapers have been pushing for such a break; USPS previously opposed it.

The Postal Rate Commission is already on record in favor of the move and is likely to recommend adoption by the postal governors. If that happens, it will reduce the best rate available to newspapers from the current 12 cents per 3.3-ounce piece to 11.5 cents. A paper mailing 20,000 TMC pieces a week would save $5,200 a year. It would also narrow the gap between the best rate available to papers and the 10.5-cent rate paid by mass mailers like Advo-System Inc. [**presstime**, Aug. 1991, p. 34].

The USPS reserves that rate for mailers that saturate 75 percent of all addresses on a route, or 90 percent of all residential addresses. Many newspapers compete with mass mailers by mailing materials to nonsubscribers in total-market-coverage programs, but few can meet the USPS standards for saturation. To get the newly proposed 11.5-cent rate, they have an easier task—supplying at least 125 pieces per route, sorted in sequence of delivery.

What made the critical difference for the USPS was exclusion of letters from the category of discounted materials.

The proposed rate is only for "flats"—brochures, circulars and flyers typically found in TMC packages. Postmaster General Anthony M. Frank first revealed the importance of excluding letters in an April interview with **presstime**. He said "there would be a 125-piece, third-class flats (nonletters) program now if it had been separated from third-class letters" [**presstime**, May 1991, p. 34].

Frank reasons that, unlike flats, letters can be automated within the framework of current bar-code systems. Giving companies that mail third-class letters an intermediate discount would be a disincentive for them to automate.

ANPA Senior Vice President W. Terry Maguire said, "This is, by any measure, an extremely positive step for the Postal Service to have taken."

With the discount's erstwhile opponent now favoring it, even lobbyists for the mass mailers were viewing it in the best light—as a possible step toward broader compromise and lower third-class rates. *—Jack Kramer*

Salary increases for newspaper executives are lower this year, ANPA survey finds

Average annual base salaries for top newspaper executives in the United States and Canada generally increased in 1991 but by the lowest percentages in several years, according to ANPA's fourth annual Newspaper Industry Compensation Survey.

The average base pay for the full range of top management rose 3.8 percent from 1990 to 1991. That compares with 5.8 percent a year earlier [**presstime**, Sept. 1990, p. 54].

There were three exceptions to that trend: On a percentage basis, two categories of top executives received significantly larger pay increases, while another group was paid less than in 1990.

The two categories receiving the biggest increases were the top financial and circulation executives—7.4 percent and 6.4 percent, respectively. In fact, their salaries increased more in 1991 than at any time since the ANPA survey began its year-to-year comparisons (for the 1988-89 period). Their average total direct compensation—including bonuses and incentive awards—increased by 4.9 percent and 5.7 percent, respectively.

On the other hand, general managers saw their average base pay decrease by 3 percent from 1990 to 1991. Their average total direct compensation dropped 7.1 percent.

Overall, newspaper publishers fared about the same as most of the people reporting directly to them—their pay increased but by lower percentages than in previous years. Their average base salary in 1991 increased 4.1 percent, while their average total direct compensation increased 3.5 percent.

Among others in high-level management, business managers had the largest increases in base pay and average total direct compensation—5.6 percent in both categories. Editors' base pay rose 2.5 percent, and their average total direct compensation climbed 1.1 percent. For other executives the percentage increases were as follows: top operations (production) executives, 2.6 and unchanged; top human resources executives, 5 and 2; and top data processing executives, 4.1 and 2.

The overall 3.8-percent increase in base pay for top management was slightly less than the 3.9 percent reported for manager-level personnel. Among non-managerial positions, base pay rose 3.2 percent for entry-level reporters, 2.8 percent for copy editors, and 4 percent for advertising artists and copy writers. For advertising sales represen-

Publisher

Number of newspapers reporting: 370

Summary results

	Lowest	Median	Average	Highest
1991 base pay	$25,000	$ 90,000	$109,261	$500,000
1990 base pay	25,000	86,000	105,021	475,000
1989 base pay	25,592	90,000	105,763	450,000
1988 base pay	21,000	85,000	101,608	504,000
1991 total direct compensation	34,000	105,000	128,544	780,000
1990 total direct compensation	30,000	101,300	124,846	740,000
1989 total direct compensation	25,592	101,850	125,461	680,000
1988 total direct compensation	21,000	96,900	120,766	741,417

By circulation

Circulation	Number of newspapers	Average circulation in 1,000s	Average number of employees supervised	1991 base pay			Total direct compensation (base plus incentive)	
				Range midpoint [1]	Median	Average	Median	Average
5,000 or less	13	4	31	$ 40,000	$ 50,000	$ 48,583	$ 50,000	$ 52,933
5,001-10,000	44	8	41	50,000	54,500	54,059	59,000	62,857
10,001-15,000	48	12	73	73,850	65,000	69,591	77,750	78,866
15,001-20,000	35	18	94	71,200	71,000	76,271	80,000	85,539
20,001-30,000	55	25	140	93,200	86,000	93,685	100,583	106,524
30,001-50,000	69	39	202	104,950	100,000	103,342	116,180	121,454
50,001-75,000	37	61	345	120,000	118,000	130,727	139,500	155,554
75,001-100,000	16	89	434	136,200	132,897	148,152	156,500	169,083
100,001-150,000	20	125	598	130,245	167,500	175,652	196,805	202,037
150,001-250,000	18	198	1,172	199,000	197,500	195,433	227,500	248,463
250,001-500,000	9	349	1,673	nsd [2]	245,000	258,620	325,954	305,775
500,001 and over	6	1,191	3,233	489,700	441,250	426,250	541,250	560,483

Editor

Number of newspapers reporting: 372

Summary results

	Lowest	Median	Average	Highest
1991 base pay	$16,120	$ 56,500	$ 66,664	$267,500
1990 base pay	16,000	54,900	65,647	256,000
1989 base pay	16,500	54,750	62,998	239,295
1988 base pay	15,072	52,000	60,985	275,000
1991 total direct compensation	16,120	61,749	73,921	325,000
1990 total direct compensation	16,000	58,492	73,716	410,000
1989 total direct compensation	16,500	57,436	69,976	345,000
1988 total direct compensation	15,072	55,247	70,731	471,000

By circulation

Circulation	Number of newspapers	Average circulation in 1,000s	Average number of employees supervised	1991 base pay			Total direct compensation (base plus incentive)	
				Range midpoint [1]	Median	Average	Median	Average
5,000 or less	11	4	6	$ 23,000	$ 23,000	$ 25,752	$ 23,000	$ 26,207
5,001-10,000	30	8	10	27,073	30,689	31,535	30,979	33,468
10,001-15,000	44	13	15	34,800	37,990	37,741	39,000	39,302
15,001-20,000	31	17	22	41,496	42,250	46,029	43,795	50,395
20,001-30,000	58	25	32	65,000	50,464	51,139	52,149	54,407
30,001-50,000	65	39	48	64,158	58,877	59,795	62,748	65,235
50,001-75,000	45	62	71	82,100	70,500	73,278	80,500	80,743
75,001-100,000	20	89	103	80,050	78,124	80,665	87,344	91,850
100,001-150,000	26	120	139	85,020	91,500	99,627	105,929	110,987
150,001-250,000	22	203	207	105,800	116,750	119,136	136,500	137,247
250,001-500,000	13	336	298	nsd [2]	144,624	154,690	175,875	176,131
500,001 and over	7	932	648	214,600	200,000	213,785	275,000	264,795

[1] Median of midpoints of pay ranges reported

[2] Not sufficient data—fewer than three newspapers reported

tatives, whose income comes primarily from commissions, average total direct compensation rose 4.6 percent for those selling national ads, 2.7 percent for retail sellers and 3.8 percent for sales account executives/classified representatives.

The comparative percentages are based on responses from newspapers that returned questionnaires for *both* 1990 and 1991. For that reason, survey researchers said, the percentages do not mirror the year-to-year differences in actual dollars paid; the dollar levels are calculated from *all* participants in each year's survey.

Top advertising executive

Number of newspapers reporting: 435

Summary results

	Lowest	Median	Average	Highest
1991 base pay	$15,600	$ 49,392	$ 56,131	$188,500
1990 base pay	15,000	47,000	52,973	200,000
1989 base pay	15,000	46,000	50,388	160,000
1988 base pay	15,000	41,800	47,685	175,000
1991 total direct compensation	17,500	54,700	63,191	225,000
1990 total direct compensation	18,300	52,000	60,333	265,000
1989 total direct compensation	18,314	50,000	56,691	173,423
1988 total direct compensation	18,304	44,980	54,618	323,916

By circulation

Circulation	Number of newspapers	Average circulation in 1,000s	Average number of employees supervised	1991 base pay			Total direct compensation (base plus incentive)	
				Range midpoint[1]	Median	Average	Median	Average
5,000 or less	14	4	3	$ 25,500	$ 23,590	$ 25,505	$ 25,850	$ 27,497
5,001-10,000	43	8	6	27,196	27,870	26,896	31,758	31,849
10,001-15,000	56	13	10	38,800	32,708	34,311	36,686	37,856
15,001-20,000	34	18	15	41,320	38,844	39,965	41,860	44,890
20,001-30,000	64	25	21	55,900	46,510	46,915	52,000	51,718
30,001-50,000	74	39	31	60,180	53,296	53,728	59,444	59,632
50,001-75,000	42	60	48	82,100	65,000	66,612	71,000	71,878
75,001-100,000	27	87	64	82,100	73,500	73,472	78,540	83,588
100,001-150,000	30	122	75	83,181	71,113	78,942	85,022	92,083
150,001-250,000	26	191	147	105,800	92,350	92,252	102,954	104,587
250,001-500,000	17	365	192	107,000	111,000	116,243	124,433	131,805
500,001 and over	8	860	254	120,500	142,500	140,050	180,625	170,798

Top circulation executive

Number of newspapers reporting: 499

Summary results

	Lowest	Median	Average	Highest
1991 base pay	$11,424	$ 43,039	$ 48,868	$205,000
1990 base pay	10,400	39,811	45,220	165,000
1989 base pay	13,000	39,560	45,154	157,500
1988 base pay	9,500	36,400	42,056	225,000
1991 total direct compensation	11,424	47,000	53,960	245,000
1990 total direct compensation	11,440	42,600	49,967	214,000
1989 total direct compensation	13,000	41,852	49,639	232,500
1988 total direct compensation	9,500	38,500	46,435	275,000

By circulation

Circulation	Number of newspapers	Average circulation in 1,000s	Average number of employees supervised	1991 base pay			Total direct compensation (base plus incentive)	
				Range midpoint[1]	Median	Average	Median	Average
5,000 or less	18	4	2	$ 14,345	$ 16,250	$ 18,934	$ 16,725	$ 19,281
5,001-10,000	55	8	9	24,240	23,400	23,249	24,750	25,164
10,001-15,000	65	13	14	34,800	29,380	30,336	31,800	32,015
15,001-20,000	45	18	18	38,896	34,211	34,683	38,000	37,922
20,001-30,000	72	25	22	56,750	41,000	40,173	43,450	42,934
30,001-50,000	81	39	40	55,200	46,600	47,509	51,000	51,960
50,001-75,000	48	61	58	69,477	57,100	59,608	63,240	64,871
75,001-100,000	28	87	94	72,700	66,950	65,475	71,250	73,322
100,001-150,000	32	122	113	72,700	70,490	72,557	80,441	83,535
150,001-250,000	27	192	339	93,200	82,500	84,219	95,500	92,346
250,001-500,000	18	357	414	94,400	97,250	99,947	116,500	115,756
500,001 and over	10	1,038	1,056	120,500	137,500	140,332	155,875	169,071

In dollar terms, the average base pay of publishers rose to $109,261, up from $105,021 in 1990. Their average total direct compensation increased to $128,544, compared with $124,846 a year earlier.

The highest base pay for a participating publisher was $500,000 in 1991, up from $475,000 last year, with the highest average total direct compensation reported in 1991 as $780,000, up from $740,000.

General managers, whose pay was reported by only 144 participants in the survey, earned an average base pay in 1991 of $80,821, down from $81,357 in 1990. Their average total direct compensation came to $90,159, down from $94,591.

The 1991 survey included salaries for 63 job categories reported by 577 U.S. and Canadian daily newspapers. The response rate was down from the record high of 618 newspapers a year ago but it was higher than the 526 that participated in 1989. The researchers said this year's respondents represent a good sample by circulation and geographic distribution.

The survey was devised under ANPA auspices to study the pay levels and practices of the industry, thereby helping newspapers determine how competitive their pay levels are relative to their regions, circulation size and the industry as a whole.

However, the researchers cautioned, "When survey data indicate that prevailing market rates for specific jobs substantially exceed established pay-range midpoints at *your* newspaper, you must decide whether it is economically feasible and internally defensible to pay at competitive levels." Depending on performance, individuals could "properly" be paid 15 percent to 20 percent above or below the average rate shown in the survey, they said.

Average dollar increases for other key executives were:

- For the editor, a base salary of $66,664, up from $65,647, and total direct compensation of $73,921, up from $73,716
- For the top advertising executive, a base salary of $56,131, up from $52,973, and total direct compensation of $63,191, up from $60,333
- For the top financial executive, a base salary of $58,967, up from $53,914, and total direct compensation of $65,049, up from $60,442
- For the top circulation executive, a base salary of $48,868, up from $45,220, and total direct compensation of $53,960, up from $49,967
- For the top operations executive, a base salary of $58,048, up from $56,214, and total direct compensation of $64,099, up from $63,228.

Among the newsroom positions, the managing editor's average base pay rose from $48,121 to $52,016, and average total direct compensation increased from $50,974 to $55,469. The average copy editor's base pay went from $31,682 to $33,497. The average base pay for an experienced reporter (one to four years' experience) rose from $30,199 to $32,934. Entry-level reporters' base pay increased from $19,847 to $20,722.

Among some other job categories, the top data processing manager's average base pay increased to $47,664 from $45,517, and average total direct compensation increased to $50,048 from $48,459. Circulation district sales managers' base pay decreased to $26,048 from $26,427, but their average total direct compensation increased to $27,255 from $27,186. The pressroom superintendent's base pay increased to $37,674 from $35,899.

The study also breaks down the information by region and circulation category.

Newspapers with the highest circulations pay more to their executives. For example, publishers running dailies with circulations exceeding 500,000 received an average base pay of $426,250 in 1991, while those at papers with circulations between 10,000 and 15,000 earned an average of $69,591.

For top editors, the average annual base salary at papers with at least 500,000 circulation was $213,785 in 1991, while their counterparts at papers with circulation between 10,000 and 15,000 earned $37,741.

Papers in the mid-Atlantic region continued to pay publishers the highest average salary—$142,876. New England was next at $137,076, followed by the Southeast at $125,121. Canada, classified as one of the 10 "regions," came in fourth at $122,247.

Top operations (production) executive

Number of newspapers reporting: 365

Summary results

	Lowest	Median	Average	Highest
1991 base pay	$17,950	$ 52,500	$58,048	$265,000
1990 base pay	15,000	50,000	56,214	250,000
1989 base pay	19,003	49,000	56,379	220,000
1988 base pay	10,000	45,427	51,293	255,000
1991 total direct compensation	20,499	57,500	64,099	348,200
1990 total direct compensation	18,200	55,000	63,228	286,750
1989 total direct compensation	19,220	53,925	62,289	280,000
1988 total direct compensation	10,000	49,000	57,230	353,250

By circulation

Circulation	Number of newspapers	Average circulation in 1,000s	Average number of employees supervised	1991 base pay			Total direct compensation (base plus incentive)	
				Range midpoint [1]	Median	Average	Median	Average
5,000 or less	6	4	10	$ nsd [2]	$ 26,500	$ 25,269	$ 26,583	$ 27,777
5,001-10,000	27	8	12	28,080	29,640	29,259	30,027	33,026
10,001-15,000	33	13	18	34,372	33,384	34,574	34,934	38,185
15,001-20,000	24	18	27	44,150	42,458	43,413	45,346	46,786
20,001-30,000	48	24	37	57,500	44,922	44,687	47,250	47,746
30,001-50,000	71	39	58	56,203	52,000	51,908	56,000	57,245
50,001-75,000	48	61	88	69,300	58,750	60,736	63,250	64,633
75,001-100,000	27	88	125	73,481	66,000	69,939	70,641	78,213
100,001-150,000	28	120	175	82,100	67,258	70,665	78,000	80,414
150,001-250,000	25	190	271	93,200	77,000	78,837	84,000	85,952
250,001-500,000	18	360	479	94,350	94,550	104,538	115,064	117,448
500,001 and over	10	934	910	136,500	155,250	159,777	179,940	186,998

The data were compiled and processed by the Inland Press Association in Park Ridge, Ill., under the supervision of two ANPA consultants: Professor Hervey A. Juris of Northwestern University and Robert J. Greene of James & Scott Associates Inc., a Chicago management-consulting company. The project was directed by ANPA Vice President/Human Resources John D. Blodger.

Copies of the 1991 report were mailed in August to all newspapers that participated in the survey. For further information, contact Blodger at (703) 648-1068.

Also available are customized summary reports that allow a newspaper to request data from 10 or more newspapers according to metropolitan-area size, narrow geographical region, specific market or other criteria. The information will be compiled in summary form to ensure the anonymity of the study participants.

Such reports can be ordered at a cost of $250 per report from the Inland Press Association Inc., 777 Busse Highway, Park Ridge, Ill. 60068; (708) 696-1140.

—Mary Alice Bagby

Unions seek emergency federal standards on motion injuries

Thirty-one labor unions asked the Occupational Safety and Health Administration to issue emergency standards requiring employers to safeguard employees from repetitive motion injuries, also known as cumulative trauma disorders.

Among the unions are three that represent sizable numbers of newspaper workers: The Newspaper Guild, the Teamsters and the Communications Workers of America.

In a July 31 letter to Labor Secretary Lynn Martin, the unions said "there has been an unprecedented increase in cumulative trauma disorders."

Part of the six-page letter cited a 1989 CWA survey to which 12,000 workers responded. "In newspaper and wire service offices, as many as 60, 70 and 80 percent of (video display terminal) users surveyed have reported symptoms of cumulative trauma disorders," the letter stated. The unions alleged that the disorders "arise from poor design of the workplace and organization of work which pushes people beyond the limits of strength and endurance. These hazards were designed into the workplace by decades of industrial designers who neglected basic ergonomic principles."

The unions asked OSHA, a branch of the Department of Labor, to set emergency standards that would "require the implementation of a comprehensive ergonomic program" including:

- Hazard identification and prevention
- Job analysis for factors that could cause RMI, such as posture, equipment, force, gloves, vibration and frequency of actions
- Evaluation of new equipment and processes before installation
- Job-specific training, including breaking-in time
- A medical staff and program for treating employees
- Worker-union joint committees
- Protection of workers who report RMI symptoms.

OSHA spokesman Douglas Fuller said in August that issuing emergency standards is rare. He said OSHA will move ahead with "normal rule making."

The agency has been soliciting comments on a proposed safety and health management program to reduce occupational exposure to ergonomic hazards. At press time, ANPA was preparing comments to submit prior to the Aug. 15 deadline [**presstime**, June 1991, p. 66]. ☐